

Lovell

for CONSTRUCTION

FINANCIAL TIMES

No. 27,594

Monday June 26 1978

مكتبة الأصل

for stainless steel
ring HE
Samson
colnbrook 3131

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.1; GERMANY DM.2.8; ITALY L.500; NETHERLANDS Fl.2.8; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.0; EIRE 15p

NEWS SUMMARY

GENERAL

Outrage over mission deaths

Rhodesian Church and political leaders have reacted angrily to the killing of 12 British missionary families near the eastern border with Mozambique.

The 12 dead were hacked and battered to death with axes, logs, bayonets and clubs. The military command said Zimbabwe African National Liberation Army guerrillas were responsible.

The Right Rev Paul Burroughs, Anglican Bishop of Maseru, said Britain should revert to gunboat diplomacy and send troops to deal with those responsible for the mission massacre. Page 2

Argentina win

Argentina beat Holland 3-1 with two goals in extra time to win the World Cup final. Feature, Page 8

Murder hunt

Rival gangs of white and Asian youths clashed in London's East End yesterday, soon after a Bengali man died in hospital after being attacked. The Murder Squad is searching for three white youths.

Peace efforts

Egypt and the U.S. are collaborating closely in efforts to persuade Israel to take a more flexible approach to peace negotiations. Meanwhile, the Israeli Cabinet has rejected outright Egyptian proposals calling for immediate withdrawal of Israeli troops from the West Bank and Gaza Strip. Page 2

Assassination suspect

The assassination of North Yemeni President Ahmed Hussein al-Qasbi is believed to have been masterminded by Lt-Col. Abdullah Abdel Aiem, who escaped to Aden about four weeks ago after his insurance policy in the Tiaz area was crushed. Page 2

Officials killed

Nine Indonesian officials preparing for a meeting in Bali between President Suharto and Singapore's Prime Minister Lee Kuan Yew were killed when their helicopter crashed shortly after taking off from Badung airstrip.

Victor's legacy

Victor, the giraffe who died after doing the splits while making, has left behind a daughter. The baby giraffe, Victoria, was born at Marwell Park zoo at the weekend.

Improper pasties

Coriish pasties from Devonshire are not all they should be. The Devonshire trading standards officer says that almost 60 per cent of the county's pasties contained less than the regulation minimum amount of meat.

Briefly...

A major oil well fire in Kuwait's Majra field is not expected to affect exports or crude oil production.

Afghanistan's new regime has released about 1,000 political prisoners.

Filipino police and soldiers found carrying firearms off duty will be liable to death by firing squad.

Weekly £50,000 Premium Bond prize won by bond 5DB 989701. Winner lives in Dundee.

Italian Communist Party says it would prefer a man outside the ranks of the ruling Christian Democrats as the country's new president.

An Ulster Defence Regiment private was killed in an explosion while on duty in Co. Fermanagh.

Britons travelling to Europe in minibuses have been warned that if their vehicles are not fitted with tachographs.

BUSINESS

Managers' buying power 'falls'

● SALARIES of Britain's executives have a lower purchasing power than almost all their colleagues in other industrial countries and it is getting worse, a survey by Employment Conditions Abroad, published today, says. Back Page

Overtime in manufacturing

Industry is at the highest level since summer 1974 because of the recent upturn in economic activity. Back Page

Renewed upsurge in bank lending

to the UK private sector is confirmed today by the latest breakdown published by the Bank of England. Back page and Lex

U.S. interest rate 'rise'

● FURTHER increases in short-term interest rates in the U.S. including a possible rise to 9 per cent in commercial prime lending rates this week are being predicted on Wall Street. Back Page

LIKELY help that the UK economy will receive from offshore oil and gas production this year has been further downgraded in a report published today. Back page

INDUSTRY paid 37 per cent more in real terms for even more of freight moved by road in 1976 than it did a decade earlier. Transport 2000, a pressure group, said. Page 37

LABOUR

● PRODUCTION at Lingwith colliery, Derbyshire, where 700 men work, is to stop on July 28 because coal has run out. There will be no redundancies.

● WORKERS would expect similar increases if the Government implements 10 per cent pay rises for nationalised industry chairman proposed by the Boyle review on top salaries, union leaders said. Page 4

● SHOP stewards at Westland Aircraft's helicopter plant, Yeovil, plan to meet this morning to discuss the company's warning that it plans to dismiss workers. Page 4

● BRITISH LEYLAND has put an incentive scheme to unions in a move to raise flagging output. Page 4

Warning on inflation

● SLIGHT acceleration in the rate of price inflation back into double figures during the first half of next year is forecast today. Page 4

● BEER drinkers in Britain downed 112m fewer pints last year than in 1976 — the first annual fall since 1955. Page 3

● FISHING agreement in Europe could come before the end of the year if other countries realised it did not matter whether there was an election or not, Mr. John Silkin, Agriculture Minister, said.

Liquor company to sack 100

● AUGUSTUS BARNETT, cut-price liquor concern, is to undertake restructuring involving the loss of about 100 jobs. Page 4

● PAN AMERICAN expressed dissatisfaction with price-fixing arrangements of the International Air Transport Association. Page 2

● THREE-MILLIONTH Ford car built at Halewood, Merseyside, will roll off the production lines tomorrow.

● NORCROS profit to March 31 was 2 record £14.5m (£12m). Page 36

Shipbuilding crisis costs taxpayers more than £100m

BY IAN HARGREAVES, SHIPPING CORRESPONDENT

British Shipbuilders cost the taxpayer more than £100m in its first nine months of existence, according to internal, unaudited figures considered by the corporation's Board at the end of last week.

At the same time, the Government is considering novel plans to finance the building of warships almost on a "building for stock" principle. This could require an initial commitment of about £50m.

The losses relate to the nine months from July 1, 1977. They indicate the financial problem the Government faces in steering the industry through one of the deepest recessions it has known.

Actual losses for the nine-month period are believed to be more than £45m, although the debt inherited from the corporation's member companies is still being assessed and the eventual loss could be much higher.

In addition to straightforward losses, which will presumably be written off by the Government, the shipyards benefited last year from the £50m Shipbuilding Intervention Fund, which provided a straight subsidy on most of the orders booked in that period.

Precisely what proportion of the £50m relates to the first nine-month period is unknown, but it would certainly be the lion's share.

The Government's first problem in responding to the corporation's deteriorated difficulties is to set a target on performance for the financial year April 1978 to April 1979.

Under the terms of the nationalisation Act, this has to be set within a year of vesting day, which means by Saturday.

After being submitted to British Shipbuilders, the target must be disclosed to Parliament.

Under the terms of the Act, the target must result in an adequate return on the capital employed by the corporation, but there is now no realistic possibility of British Shipbuilders breaking even in the current financial year.

An added difficulty is the confusion caused by the EEC's resistance to the UK's application for an £80m successor to the current intervention fund. Some form of words will have to be found to circumvent this and a number of other uncertainties.

Out of work

The Government faces a long and costly haul in pulling British Shipbuilders back into the black. According to the corporation's 1977 review of affairs published at the turn of the year, its member companies made a pre-tax profit of £2.9m on a turnover of £713m in the year to March 31, 1977.

At the end of March, the corporation had a merchant ship order book of 1.5m gross tons—some time to adopt a faster, more versatile design in this class to enable the British shipbuilding industry to market an off-the-peg vessel for all its customers.

If the stockpiling scheme is accepted, the first stage is likely to be to place contracts for such a patrol vessel or vessels.

Brezhnev warns U.S. over closer links with China

BY OUR OWN CORRESPONDENT

PRESIDENT BREZHNEV of the Soviet Union today reiterated his Government's warning to the U.S. against seeking close, formal ties with China.

In a speech today in the Byelorussian capital of Minsk, Mr. Brezhnev said: "Attempts are being made largely in the U.S. at a high level and in a rather cynical form, to play the 'Chinese card' against the Soviet Union."

This is a short-sighted and dangerous policy. Its architects will bitterly regret it."

The Soviet leadership has been alarmed and angered by the trip last month to Peking by Dr. Zbigniew Brzezinski, National Security Adviser to President Carter.

Mr. Brzezinski, who has been sharply criticised by the Kremlin in recent weeks as a "cold war warrior", has talked candidly about how he believes the U.S. hand in dealing with the Kremlin would be strengthened if Washington has formal diplomatic relations with Peking.

In spite of the warning in the speech, Mr. Brezhnev's general tone in his address was noticeably more moderate than recent Kremlin pronouncements on its relations with the U.S. Mr. Brzezinski devoted much of his remarks to discussing recent Soviet proposals for reducing its conventional forces in Europe.

Jurek Martin writes from Washington: Mr. Brezhnev's speech is seen here as a clear response to the Carter administration's equally clear intention to get the process of normalising relations with China moving again after several years of stagnation.

It is also being interpreted as another attempt personally to discredit Dr. Brzezinski.

The New York Times reported today that the Administration had taken the basic policy decision to improve relations with China before Dr. Brzezinski went to Peking and that this was communicated to the Chinese leadership.

The establishment of full diplomatic relations with Peking, which would presumably mean the end of U.S. political and defence arrangements with Taiwan, is still clearly some way off.

Such a step, which is fraught with domestic political problems, is unlikely to be made until next year at the earliest and might well be delayed until a second term for Mr. Carter, if he is re-elected.

The U.S. has told Peking that it will not object, as it had done hitherto, to Chinese purchases of defensive military equipment from Western European countries and to its acquisition of American, European or Japanese sophisticated technology.

In a speech in Hawaii 10 days ago, Mr. Richard Holbrooke, Assistant Secretary of State for East Asian and Pacific Affairs, who accompanied Dr. Brzezinski to Peking, stated that although important differences remained with Peking, the current strategic balance in the region between the U.S., the Soviet Union, China and Japan "is clearly in our nation's interest."

The U.S. has long been attracted to the Japanese solution to the Taiwan problem—which involves the continuance of extensive trade and commercial relations but not at Government level.

More immediately, Dr. Brzezinski has appeared to use "the China card" as a way of exerting pressure to curb Soviet activities in Africa.

In the past week, however, the U.S. has appeared more intent on cooling off the recent war of words with the Soviet Union, a development which is seen here as a reassertion of the influence on policy-making of Mr. Cyrus Vance, Secretary of State.

Changes at Shell UK to ease burden on CBI president

BY RAY DAFTER, ENERGY CORRESPONDENT

THE ROYAL Dutch/Shell group has made top-level management changes in the Shell UK company to allow Mr. John Greenborough, its chief executive, more time for his work as president of the Confederation of British Industry.

Mr. Greenborough will continue to be a deputy chairman of Shell UK but his position as chief executive will be taken by Mr. John Ralsman, at present a managing director with responsibility for the company's supply, refining and marketing activities.

In other changes, that will also take effect on Saturday, Mr. Ralsman will become a deputy chairman and will succeed Mr. Greenborough as Shell International Petroleum's regional co-ordinator for the UK and Ireland. Mr. Desmond Watkins, formerly president of Shell in Venezuela, will take Mr. Ralsman's position as managing director.

The management reshuffle was foreshadowed by Mr. Greenborough in May last year when, after consultation with the Royal Dutch/Shell group's board, he accepted the position as CBI's deputy president. For the past six months he has combined his role as CBI president with that as head of a company with a £2.5bn turnover.

"You cannot effectively do justice to two jobs," he said at the weekend. "It has been an enormous pressure on the system."

Although he will continue to be involved in Shell's policy-making he is cutting himself off entirely from day-to-day management in the company.

"I expect to spend 80 per cent of my time working for the CBI," he said. "It is a very demanding role, no matter how good the chairman of the company is."

Mr. Greenborough saw four issues dominating his next two presidential years: the future of pay determination—a vital part of our social infrastructure;



Mr. Greenborough: staying as deputy chairman.

growing industrial democracy; adapting to a possible changed political climate—"and that might happen irrespective of who wins the next election"; and giving the CBI a greater representation in Europe.

At Shell, Mr. Ralsman has the task of completing the company's recovery towards profitability. Last year Shell UK lost £11.3m as against a deficit of £32m in 1976. The enforced closure of a North Sea production platform last year, heavy investment associated with offshore development, and weak trading conditions in the UK were blamed for the loss.

Mr. Ralsman, who was born in India in 1929, joined Shell in 1953. He has held marketing and executive positions in Brazil, Central America, Turkey, Holland and Japan. From 1970 to 1974 he was president of Shell Sekiyu KK before returning to Holland to become head of European trading and marketing. He was appointed a managing director of Shell UK in July last year.

Mr. Greenborough's plans, once his term as CBI president expires in 1980, are not known. He will be 56 next week and he is already eligible for retirement from Shell as a result of his long overseas service.

Men and Matters Page 10

Premier continues U.S. air talks

By Jurek Martin, U.S. Editor

WASHINGTON, June 25. MR. JAMES CALLAGHAN continued here today to probe both potential American manufacturers of and customers for the new generation of commercial aircraft.

Immediately after his arrival here yesterday afternoon, Mr. Callaghan met Mr. Frank Borman, the former astronaut who now heads Eastern Airlines, which has contracted to fly the European Airbus.

This morning, he met Mr. Thornton Wilson and Mr. Tex Boulton of Boeing, which has proposed a joint venture with the UK which would guarantee the future of the Rolls-Royce RB211-535 engine in a new Boeing 737 jetliner.

This evening he is to dine at the British embassy with Mr. Samuel McDowell and Mr. Robert Jackson of McDowell-Douglas, whose own Advanced Technological Medium Range Transport is still on the drawing board but which is interested in European co-operation.

Mr. Tom McCaffrey, the Prime Minister's Press secretary, declined today to disclose details of the discussions to date. He said they had been "frank" but were part of the longer term consultative process in which Mr. Callaghan is taking a personal interest because of the great implications for the future of the British aerospace industry.

Future

He said that discussions would be continuing with Chancellor Schmidt of West Germany and President Giscard d'Estaing of France at the European summit meeting in Bremen next month.

The German Government, in particular, has made no bones of its belief that the entire future of the European aerospace industry would be jeopardised if the UK were to co-operate with Boeing and that even British industry would find itself in little more than a minor sub-contractor status, in spite of the use of Rolls-Royce engines, in any venture with a giant such as Boeing.

However, the European alternative to the Boeing competition—the SBO B10 version of the Airbus—would, it is generally agreed, leave no role for a British engine manufacturer.

McDonald Douglas, which produces far fewer commercial aircraft than Boeing and which believes it would be more of an equal partner than its U.S. rival, is seeking to provide a middle of the road compromise solution to both the British and the European dilemma.

Mr. Callaghan is due to have breakfast tomorrow morning with President Carter. According to Mr. McCaffrey, the two leaders will be discussing the forthcoming economic summit in Bonn next month, the general state of East-West relations, and Africa.

Renegotiation of tax treaty now likely

BY MICHAEL LAFFERTY IN LONDON AND JUREK MARTIN IN WASHINGTON

THE Anglo-American double tax treaty will probably have to be renegotiated if, as expected, the U.S. Senate moves to approve the pact tomorrow after deletion of its most controversial clause.

This is clause 9, which would exempt British companies from the unitary tax legislation operated by several U.S. states—notably California.

The Senate voted on Friday not to ratify the treaty. However, the Administration was prepared to accept deletion of the offending clause. The Senate voted to reconsider the treaty.

In London, Treasury officials have indicated that there has been no deal with the Americans over accepting deletion of clause 9. Officially Britain is still hoping that the treaty will be approved in full.

Nor did there appear to be any intention that Mr. James Callaghan should raise the matter during his present visit to the U.S.

The likelihood that U.S. states will be able to continue levying unitary taxation on British companies—in effect taxing a proportion of their worldwide income—drawn an angry statement from the Confederation of British Industry.

"As far as British industry is concerned, clause 9.4 is critical to the treaty. If the treaty goes through without this provision it would be a severe blow to U.S. companies operating in the U.S.," the confederation said.

British industry would then press for renegotiation. "We shall be keeping a very close watch on the situation."

New York move on insurance exchange

BY DAVID LASCELLES

NEW YORK, June 25.

NEW YORK state assembly has overwhelmingly approved changes in legislation enabling an insurance exchange similar to Lloyd's of London to be established in New York City. Barring unforeseen difficulties, the exchange should begin business next spring.

The next step will be to draw up a charter for the exchange for approval by the state authorities. There should be few problems over this, though, since the scheme has the strong backing of both Governor Hugh Carey and Mr. Albert Lewis, the state superintendent of insurance.

It has also been widely welcomed by the insurance industry, in spite of some reservations over details.

approved a Bill to establish an insurance-free trade zone for the city, where underwriters will be able to write large and complicated policies free from the control of the state's tight insurance laws.

Both innovations are primarily aimed at reviving New York's ailing insurance industry, which has lost a considerable amount of capital and business in recent years due, many people claim, to the state's over-zealous supervision.

It is hoped that the new schemes will encourage companies to return to the city.

Some sectors of the insurance world, principally the brokers, are also keen to bring to New York some of the business which they believe is enjoyed unfairly by Lloyd's. They argue that although possibly half the world's insurance business is generated by the U.S., only a fraction of it is handled in the country.

Compromise

The exchange, which is closely modelled on Lloyd's, will comprise syndicates of both brokers and underwriters. It will deal primarily in reinsurance, foreign risks and hard-to-place risks of the kind which now find their way to Lloyd's.

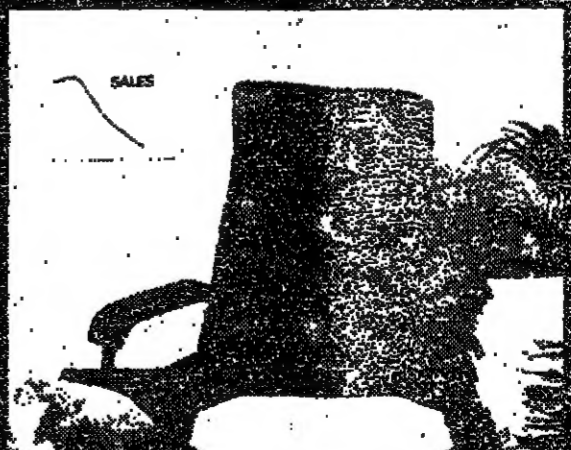
Initial capitalisation will total at least \$80m—with probably 50 syndicates putting up \$3m each —permitting an annual underwriting turnover of up to \$200m.

Although this is a minute sum compared with the industry's total turnover, the scheme's backers expect it to grow fast as the exchange finds its feet. The state assembly has also modelled on Lloyd's.

John Moore writes: Lloyd's of London's U.S. attorney, Leboeuf Lamb Leiby and Macrae, is watching the progress of New York's insurance legislation closely.

Although Lloyd's is still claiming publicly that there is insufficient information for it to form a view, privately it is disconcerted by the latest development.

So far it has said that the reason given for New York's move — to create more jobs — is "not a good and sufficient reason for establishing an insurance market closely modelled on Lloyd's."



If you're doing our job who's doing yours?

Our job is to advise on the choice of manufacturing and warehousing locations. How we approach the complexities of this subject are explained in a guide

The Choice of Locations, which is available upon request. Richard Ellis, Chartered Surveyors, 610 Bruton St, London W1X 8DU Telephone: 01-499-7151

Richard Ellis
Chartered Surveyors

CONTENTS OF TODAY'S ISSUE	
Overseas news	2
World trade news	3
Home news—general	4
—Labour	6
Technical page	6
Management page	7

FEATURES	
The European ball-bearing industry	10
Russian progress in killer satellites	35
Week in the courts	8
FT SURVEY	
United Arab Emirates	11-34

Appointments	36
Building news	36
Business & Finance	36
Contracts & Tenders	36
Share information	36
Stock	36
Transport	36
Financial Diary	36
Insurance	36
Letters	36

For latest Share Index 'phone 01-240 8026

Santa Fe International Finance Corporation

9½% Guaranteed Bonds due 1986

Notice is hereby given that, pursuant to the provisions of the Indenture dated as of July 15, 1976 among Santa Fe International Finance Corporation, Santa Fe International Corporation and The Chase Manhattan Bank (National Association), as Trustee, \$3,000,000 in principal amount of the above Bonds will be redeemed from the Sinking Fund on July 15, 1978 at the principal amount thereof together with accrued interest thereon to said redemption date.

The serial numbers of the Definitive Bonds to be redeemed, all bearing the prefix M, are as follows:

1	1354	3642	4174	5695	7095	8556	10185	11741	12857	14153	15789	17172	18725	19994	21284	22792	24345	25960	27556	28538
2	1355	3643	4175	5696	7096	8557	10186	11742	12858	14154	15790	17173	18726	19995	21285	22793	24346	25961	27557	28539
3	1356	3644	4176	5697	7097	8558	10187	11743	12859	14155	15791	17174	18727	19996	21286	22794	24347	25962	27558	28540
4	1357	3645	4177	5698	7098	8559	10188	11744	12860	14156	15792	17175	18728	19997	21287	22795	24348	25963	27559	28541
5	1358	3646	4178	5699	7099	8560	10189	11745	12861	14157	15793	17176	18729	19998	21288	22796	24349	25964	27560	28542
6	1359	3647	4179	5700	7100	8561	10190	11746	12862	14158	15794	17177	18730	19999	21289	22797	24350	25965	27561	28543
7	1360	3648	4180	5701	7101	8562	10191	11747	12863	14159	15795	17178	18731	20000	21290	22798	24351	25966	27562	28544
8	1361	3649	4181	5702	7102	8563	10192	11748	12864	14160	15796	17179	18732	20001	21291	22799	24352	25967	27563	28545
9	1362	3650	4182	5703	7103	8564	10193	11749	12865	14161	15797	17180	18733	20002	21292	22800	24353	25968	27564	28546
10	1363	3651	4183	5704	7104	8565	10194	11750	12866	14162	15798	17181	18734	20003	21293	22801	24354	25969	27565	28547
11	1364	3652	4184	5705	7105	8566	10195	11751	12867	14163	15799	17182	18735	20004	21294	22802	24355	25970	27566	28548
12	1365	3653	4185	5706	7106	8567	10196	11752	12868	14164	15800	17183	18736	20005	21295	22803	24356	25971	27567	28549
13	1366	3654	4186	5707	7107	8568	10197	11753	12869	14165	15801	17184	18737	20006	21296	22804	24357	25972	27568	28550
14	1367	3655	4187	5708	7108	8569	10198	11754	12870	14166	15802	17185	18738	20007	21297	22805	24358	25973	27569	28551
15	1368	3656	4188	5709	7109	8570	10199	11755	12871	14167	15803	17186	18739	20008	21298	22806	24359	25974	27570	28552
16	1369	3657	4189	5710	7110	8571	10200	11756	12872	14168	15804	17187	18740	20009	21299	22807	24360	25975	27571	28553
17	1370	3658	4190	5711	7111	8572	10201	11757	12873	14169	15805	17188	18741	20010	21300	22808	24361	25976	27572	28554
18	1371	3659	4191	5712	7112	8573	10202	11758	12874	14170	15806	17189	18742	20011	21301	22809	24362	25977	27573	28555
19	1372	3660	4192	5713	7113	8574	10203	11759	12875	14171	15807	17190	18743	20012	21302	22810	24363	25978	27574	28556
20	1373	3661	4193	5714	7114	8575	10204	11760	12876	14172	15808	17191	18744	20013	21303	22811	24364	25979	27575	28557
21	1374	3662	4194	5715	7115	8576	10205	11761	12877	14173	15809	17192	18745	20014	21304	22812	24365	25980	27576	28558
22	1375	3663	4195	5716	7116	8577	10206	11762	12878	14174	15810	17193	18746	20015	21305	22813	24366	25981	27577	28559
23	1376	3664	4196	5717	7117	8578	10207	11763	12879	14175	15811	17194	18747	20016	21306	22814	24367	25982	27578	28560
24	1377	3665	4197	5718	7118	8579	10208	11764	12880	14176	15812	17195	18748	20017	21307	22815	24368	25983	27579	28561
25	1378	3666	4198	5719	7119	8580	10209	11765	12881	14177	15813	17196	18749	20018	21308	22816	24369	25984	27580	28562
26	1379	3667	4199	5720	7120	8581	10210	11766	12882	14178	15814	17197	18750	20019	21309	22817	24370	25985	27581	28563
27	1380	3668	4200	5721	7121	8582	10211	11767	12883	14179	15815	17198	18751	20020	21310	22818	24371	25986	27582	28564
28	1381	3669	4201	5722	7122	8583	10212	11768	12884	14180	15816	17199	18752	20021	21311	22819	24372	25987	27583	28565
29	1382	3670	4202	5723	7123	8584	10213	11769	12885	14181	15817	17200	18753	20022	21312	22820	24373	25988	27584	28566
30	1383	3671	4203	5724	7124	8585	10214	11770	12886	14182	15818	17201	18754	20023	21313	22821	24374	25989	27585	28567
31	1384	3672	4204	5725	7125	8586	10215	11771	12887	14183	15819	17202	18755	20024	21314	22822	24375	25990	27586	28568
32	1385	3673	4205	5726	7126	8587	10216	11772	12888	14184	15820	17203	18756	20025	21315	22823	24376	25991	27587	28569
33	1386	3674	4206	5727	7127	8588	10217	11773	12889	14185	15821	17204	18757	20026	21316	22824	24377	25992	27588	28570
34	1387	3675	4207	5728	7128	8589	10218	11774	12890	14186	15822	17205	18758	20027	21317	22825	24378	25993	27589	28571
35	1388	3676	4208	5729	7129	8590	10219	11775	12891	14187	15823	17206	18759	20028	21318	22826	24379	25994	27590	28572
36	1389	3677	4209	5730	7130	8591	10220	11776	12892	14188	15824	17207	18760	20029	21319	22827	24380	25995	27591	28573
37	1390	3678	4210	5731	7131	8592	10221	11777	12893	14189	15825	17208	18761	20030	21320	22828	24381	25996	27592	28574
38	1391	3679	4211	5732	7132	8593	10222	11778	12894	14190	15826	17209	18762	20031	21321	22829	24382	25997	27593	28575
39	1392	3680	4212	5733	7133	8594	10223	11779	12895	14191	15827	17210	18763	20032	21322	22830	24383	25998	27594	28576
40	1393	3681	4213	5734	7134	8595	10224	11780	12896	14192	15828	17211	18764	20033	21323	22831	24384	25999	27595	28577
41	1394	3682	4214	5735	7135	8596	10225	11781	12897	14193	15829	17212	18765	20034	21324	22832	24385	26000	27596	28578
42	1395	3683	4215	5736	7136	8597	10226	11782	12898	14194	15830	17213	18766	20035	21325	22833	24386	26001	27597	28579
43	1396	3684	4216	5737	7137	8598	10227	11783	12899	14195	15831	17214	18767	20036	21326	22834	24387	26002	27598	28580
44	1397	3685	4217	5738	7138	8599	10228	11784	12900	14196	15832	17215	18768	20037	21327	22835	24388	26003	27599	28581
45	1398	3686	4218	5739	7139	8600	10229	11785	12901	14197	15833	17216	18769	20038	21328	22836	24389	26004	27600	28582
46	1399	3687	4219	5740	7140	8601	10230	11786	12902	14198	15834	17217	18770	20039	21329	22837	24390	26005	27601	28583
47	1400	3688	4220	5741	7141	8602	10231	11787	12903	14199	15835	17218	18771	20040	21330	22838	24391	26006	27602	28584
48	1401	3689	4221	5742	7142	8603	10232	11788	12904	14200	15836	17219	18772	20041	21331	22839	24392	26007	27603	28585
49	1402	3690	4222	5743	7143	8604	10233	11789	12905	14201	15837	17220	18773	20042	21332	22840	24393	26008	27604	28586
50	1403	3691	4223	5744	7144	8605	10234	11790	12906	14202	15838	17221	18774	20043	21333	22841	24394	26009	27605	28587
51	1404	3692	4224	5745	7145	8606	10235	11791	12907	14203	15839	17222	18775	20044	21334	22842	24395	26010	27606	28588
52	1405	3693	4225	5746	7146	8607	10236	11792	12908	14204	15840	17223	18776	20045	21335	22843	24396	26011	27607	28589
53	1406	3694	4226	5747	7147	8608	10237	11793	12909	14205	15841	17224	18777	20046	21336	22844	24397	26012	27608	28590
54	1407	3695	4227	5748	7148	8609	10238	11794	12910	14206	15842	17225	18778	20047	21337	22845	24398	26013	27609	28591
55	1408	3696	4228	5749	7149	8610	10239	11795	12911	14207	15843	17226	18779	20048	21338	22846	24399	26014	27610	28592
56	1409	3697	4229	5750	7150	8611	10240	11796	12912	14208	15844	17227	18780	20049	21339	22847	24400	26015	27611	28593
57	1410	3698	4230	5751	7151	8612	10241	11797	12913	14209	15845	17228	18781	20050	21340	22848	24401	26016	27612	28594
58	1411	3699	4231	5752	7152	8613	10242	11798	12914	14210	15846	17229	18782	20051	21341	22849	24402	26017	27613	28595
59	1412	3700	4232	5753	7153	8614	10243	11799	12915											

WORLD TRADE NEWS

Holland favours aircraft co-operation with France

BY CHARLES BATCHELOR IN AMSTERDAM

AMSTERDAM, June 25.

HOLLAND is in favour of closer links between the Dutch and French aircraft industries, according to the Economics Minister Mr. Gijb van Aardenne. The French view Dutch participation in the development of the Airbus B-10 project as essential if France is to join with the Dutch aircraft manufacturer Fokker in producing the Super F-28 short-haul jet, he said in a note to the standing Parliamentary committee on economic affairs.

The failure of the VFW-614 short-range jet liner, project, which was being carried out at Fokker's Bremen factory, and the German Government's plans to merge the German side of Fokker with Messerschmitt-Boelkow-Blohm have brought into question the Dutch aircraft industry's links with Germany.

But the Dutch Government sees closer links with France as complementing the co-operation

with Germany rather than as an alternative. The Economics Ministry said.

France is willing to take a risk-bearing share in the development of the Super F-28 and has already done much development work on the shorter wing required for the B-10.

If British Aerospace were to put the HS 146 into production this would be a potential competitor for the Super F-28's market. Development of the HS-146 would run counter to European aircraft development thinking, he said.

The Parliamentary committee will next week discuss the Minister's note and a decision on the Airbus B-10 by the Government is expected shortly.

A Fokker spokesman said the company welcomed the clear thinking from the Minister that the Government would support Fokker's participation in the B-10. Government assistance

will be needed with the expected participation costs of F1 100m (\$64m).

Fokker supplies the moveable wing parts for the present Airbus generation and has already done much development work on the shorter wing required for the B-10.

Fokker would be quite happy for more partners in the Super F-28 project. The present F-28, which is a smaller aircraft, involves Holland, Germany and the UK.

But while it is true that Fokker is looking for an engine for the new aircraft at present, its thinking is more on the lines of a Rolls-Royce engine, or of a joint Rolls-Royce-Japanese engine.

Rolls-Royce already has an engine on paper but has recently begun preparing a new design together with Japanese Harbin Heavy Industries of Japan at Fokker's suggestion.

Lower beer imports for third year running

By John Moore

LESS than one in 25 pints of beer drunk in the UK comes from overseas. And 1977 was the third successive year that beer imports have declined. But beer drinkers in Britain downed 112m fewer pints (some 389,139 bulk barrels) than in 1976, the first annual fall in beer drinking since 1955.

Latest statistics published today by the Brewers' Society show that beer imports last year dropped 17 per cent to 156m bulk barrels (some 34 per cent less than 1973's peak figure). Over two-thirds of the beer imported came from the Republic of Ireland and was mostly stout.

On the employment front the number of women working in pubs rose by 5 per cent to 161,000, while the overall total of employees in the brewing industry rose by 3 per cent to 239,000.

The amount the Government collected last year in beer duty and VAT rose by 13 per cent to £1.16m. Beer taxes in the early months of 1978 were on average of 91p on the price of a pint, says the Society.

But although the overall trend in beer consumption is down, the number of full-on-licenses given to pubs and hotels increased by 866 to 74,322.

HK watch sales up

Hong Kong's export of watches and clocks in the first quarter of this year rose to £75.7m, a jump of more than 60 per cent over the £47m achieved in the similar period last year. The U.S. and West Germany were the biggest markets, followed by the UK which bought £3.7m worth, an increase of 83 per cent over the same period last year. Sales to the U.S. were up 77 per cent and those to West Germany by 74 per cent.

WORLD SHIPPING

Casualty on the S. African route

BY JOHN STEWART IN CAPE TOWN

CAPE TOWN, June 25.

A COMBINATION of intense competition, depressed trading conditions and soaring costs in seaborne cargo trades between Europe and South Africa has claimed its first victim.

Enterprise Container Lines (ECL), the Norwegian-controlled general purpose cargo liner operator, will discontinue its South Africa-Europe container service and its operation will be absorbed by the Conference Lines. It will, however, be paid commission on cargo it contributes to the Conference and continue its bulk cargo service.

ECL, controlled by the Skjeltved family in Norway, had been active on South Africa-Europe trades for about five years and provided a regular fortnightly service which flourished in the period 1974-1975 when it won solid support from many shippers and receivers who were impressed

with its highly competitive freight rates. It was one of the first liner operators to introduce users to the intricacies of containerisation with its mixed-conference freighters which carried 300-500 boxes in addition to normal break-bulk cargoes.

The disappearance of ECL reflects tough trading conditions, in which only owners with fast liquidity cushioning can be expected to survive. Non-conference cargo liner operators trading on the spot market may be just about covering operating costs but are unlikely to be covering depreciation or interest charges.

Owners under pressure to sell off ships to meet debt and interest commitments have to face the added hardship that second-hand prices have fallen from nearly 30 per cent in the past year.

But now that conference has overcome most of its teething troubles and is providing a fast, regular door-to-door service at what one conference ship-owner describes as the "cheapest rates in the world," outsiders cannot match the conference service, at least not at viable rates of freight.

Conference members predict that, as soon as the consortium's

£12m refinery orders

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH companies have won over £12m worth of orders in Yugoslavia where they will provide consultative and managerial services, as well as equipment, for the construction of an oil refinery catalytic cracking complex.

Foster Wheeler of Reading, Berkshire, has been awarded a contract for the engineering design, procurement, construction, supervision and commissioning services by Naftagas, Zagreb. Naftagas is a Yugoslav company which was chosen from a short list of four major international engineering groups.

The overall cost of the oil upgrading facilities is about £29m, of which the value of Foster Wheeler's services, together with UK-supplied equipment, is estimated at £12m. A Eurodollar loan for 85 per cent of the total—backed by late 1980.

Brazil aluminium deal signed

BY DIANA SMITH

RIO DE JANEIRO, June 25.

BRAZILIAN and Japanese partners in the Albras-Alunorte aluminium-alumina project have now signed the formal agreements establishing their joint venture.

Brazil's national mining conglomerate Companhia Vale do Rio Doce (CVRD) will hold 51 per cent of Albras (primary aluminium) and 60 per cent of Alunorte (alumina). NALCO (Nippon Aluminium Company) will hold 49 and 40 per cent respectively.

NALCO is a joint enterprise in which the Japanese Government holds 40 per cent and the Light Metal Smelters' Association of Japan, and major Japan-

ese aluminium product consumers the remainder.

The projects are located in the state of Para in northern Brazil. Bauxite will be supplied by the Trombetas mines of Para, which CVRD holds 31 per cent (forecast output 4.5m tonnes a year).

The Albras plant requires a total investment of \$955m. The Alunorte plant, \$409m. Initial output, starting in 1981, will be 40,000 tonnes from Albras (rising to a maximum of 320,000 tonnes a year), and 135,000 tonnes of alumina from Alunorte (rising to the maximum of 800,000 tonnes in 1983).

Electrical energy for the pro-

jects will be supplied by the mammoth Tucuruí hydroelectric scheme planned for Para state, requiring an investment of close to \$2bn, to which a consortium of French banks led by Credit Commercial will contribute \$250m for purchases of equipment from Creusot-Loire and other French concerns.

Brazil's National Economic Development Bank (BNDE), which, after long negotiation, agreed to finance \$515m of the Albras-Alunorte investment, held back its approval because it felt too many concessions were being made to the Japanese partners.

These reservations have been echoed by private Brazilian aluminium producers like Votorantim, who maintain that the CVRD-NALCO association will, on the one hand, solve Japan's aluminium supply problems at low cost to the Japanese, drawing on subsidised Brazilian electricity, whereas the cost of Japanese electric energy is the most aggravating factor of production costs and, on the other, enable NALCO to form an oligopolistic cartel of producers and distributors, at Brazil's expense.

Such arguments are strenuously refuted by the Brazilian Government, which maintains that the combined projects of Trombetas, Tucuruí, Albras and Alunorte will greatly benefit Para, one of the nation's most underdeveloped areas, and turn Brazil, in the foreseeable future, from an aluminium importer into a major exporter, thus saving foreign currency.

Under the terms of the memorandum of agreement signed between Brazil's steel agency, Siderbrás, Italy's Finisider and Kawasaki Steel of Japan, the Japanese partners, who have a 38.3 per cent share in the Tubarão venture, undertook to provide \$700m of the total \$2.8bn investment required.

So far, the Brazilians have been unable to persuade the Japanese bankers to commit themselves to more than a \$150m tranche, to be delivered in the next few weeks, or to clearly lay down terms of payment and interest rates for the full amount.

After two days of inconclusive meetings in Brasília last week with the Japanese bankers, the Brazilian Government negotiators, led by the Trade and Industry Minister, Sr. Angelo Calmon de Sa, have laid down an ultimatum.

If a positive answer—involving delivery of the full \$700m, plus watertight details on terms of payment, interest and repayment of principal—is not forthcoming by July 31, Brazil will "review the entire part of the agreement involving Japan."

Optimism on electronics

Financial Times Reporter

THE LATEST round of talks between the British and Japanese electronics industries, which ended last week, has created some optimism that Japan's policy of orderly marketing is being helpful in curbing imports.

The talks, led by Lord Thornycroft on the British side and Mr. N. Yoshii for the Japanese, led to a confirmation of this policy by Japan and assurances in particular on small screen black and white television sets.

However, the most significant development was broad agreement on closer commercial co-operation between the two industries, which could lead to Japanese electronics importing British electronic components.

Mr. Michael Meacher, Under Secretary of State for Trade, said this development could provide "an exciting opportunity" for the UK industry.

DKB'S ECONOMIC JOURNAL

June 1978: Vol. 7 No. 6

Labor's relative share in Japan is due to maintain rising keynote in future

Preface

The Japanese economy appears to have entered a transitional stage after the halt of the long period of its high growth.

In the high growth period for years after the end of World War II, the high increase of the real income of wage earners was conspicuous. As a result, it was possible for the Government to avert the intensification of the income distribution problem, at least for the time being, by dividing increased income.

However, the situation has made a notable change. Now that the economic growth pace has begun to slow down perceptibly, the upswing of income has started to dwindle. At the same time, the tempo of the income growth has become conspicuously lopsided. Against this background, the income distribution problem has come rapidly into the limelight.

Labor's relative share is generally taken as an indicator of the ratio of labor's income (receivable personal income) to value added.

Inasmuch as labor's income includes in its composition personal income from unincorporated enterprises (including income of family workers), however, it is liable to represent a different value, depending on the process of handling such personal income from unincorporated enterprises.

In this report, it is assumed that labor's relative share of personal income from unincorporated enterprises is equal in value to labor's relative share of other sectors.

In comparing labor's relative share in major industrial countries, the share on a national income basis stood at 81 per cent for the United States (1976), 85 per cent for the United Kingdom (1976) and 82 per cent for France (1975). In contrast, comparable share registered 74 per cent for Japan (fiscal 1976).

However, labor's relative share is regulated to a great extent by such factors as the industrial structure and the corporate capital composition.

Particularly in the case of Japan, the rate of dependence on borrowed capital on the part of enterprises markedly heightened during the high economic growth period, compared with other countries. Consequently, the financial

expense increased sharply. Under its impact, labor's relative share resultantly declined. This point deserves specific attention. Naturally, the level of labor's relative share cannot be simply and directly linked with the problems of fair distribution and wage levels.

In other words, it cannot be said that the levels of fair distribution and wages in Japan are lower simply because of the low level of wages.

Influencing factors

According to Industrial Statistics compiled by the Ministry of International Trade & Industry, labor's relative share of workshops (with over 30 workers on payroll) in the manufacturing sector: total cash pay divided by the net amount of value added) has begun to follow an upturn from around 1971 after the continued slowdown until 1970.

Considered primarily responsible for the changing trend of labor's relative share are two major factors:

—The fluctuation of major component factors of labor's relative share particularly wages and labor productivity (that is, cyclical factors).

—The changing pattern of the types and scales of industries in the manufacturing sector (that is, structural factors).

With reference to the first group of factors, the following formula is considered reasonably available by taking the net amount of value added as V, the labor expense as W, prices as P, production as Q and the number of employees as L:

$W/V = W/L \div (V/P \div Q \div L \div P)$
(Reference: W/V = labor's relative share; W/L = wage; $V/P \div Q$ = ratio of value added; O/L = labor productivity; P = prices)

In other words, labor's relative share tends to increase (or decrease) when wages advance (or decline). It also tends to rise (or dip) when the rate of value added, labor productivity and prices rise (or sag).

In this connection, principal factors working to cause the fluctuations of labor's relative share since 1966 are roughly as follows:

1) The advance of wages has functioned to raise labor's relative share by 7-10 per cent since 1966, except in 1973 and 1974.

2) The impact of the price advance was not particularly

heavy, except in 1973 and 1974.

3) The effect of the changing pattern of the rate of value added served to raise labor's relative share by around 4-5 per cent because of the soaring cost of raw and processed materials for about two years following the oil crisis in late 1973. As a whole, however, it had no vital influence.

4) In contrast, the influence of labor productivity on course of labor's relative share sharply fluctuated in different years.

It is thus noted that the upswing of wages and labor productivity have had a great influence in changing labor's relative share. In this process, the elevation of wages has con-

to the second factor responsible for the fluctuation of labor's relative share. The sizes of labor's relative share are widely different according to the types of industries against the background of disparity in labor productivity (See Table). At the same time, labor's relative share is liable to be higher in minor enterprises and lower in major industries.

Under such circumstances, labor's relative share as a whole is apt to be influenced by the changes in the scale and structure phases of industries concerned. However, the change of the industrial structure has not been exercising a particularly strong influence on the fluctuation of labor's relative share in recent years.

In this connection, let us estimate labor's relative share in 1976 on the basis of the industrial structure.

From a medium-range viewpoint, however, the current surplus of the labor force is not expected to be rapidly rectified in view of the established employment practice in this country and unless domestic business starts a swift recovery.

In view of attendant circumstances, however, the trend of labor's relative share starting to decline because of a sharp upswing of labor productivity, as was the case during the high economic growth period, is likely to weaken from a medium-range viewpoint. Instead, labor's relative share is bound to follow a steady rising keynote.

In view of the growing need to maintain employment at a proper level, it is deemed essential for enterprises to pay close attention to the policy for replenishing internal reserves.

Labor's Relative Share by Industries (%)

Calendar year	Min.	Food	Textile	Coal	Steel	Electric	Transport	Chemical
1965	28.3	31.2	47.2	16.9	44.9	36.8	28.3	24.6
1966	28.4	30.3	47.3	17.9	47.2	35.4	28.3	25.6
1967	27.8	29.8	47.0	16.4	35.6	37.5	28.3	21.5
1968	22.8	29.9	44.7	15.5	47.4	39.3	39.9	20.0
1969	23.4	28.5	46.0	16.4	37.1	31.9	35.7	19.3
1970	22.7	28.4	46.1	15.3	37.1	32.0	34.5	20.4
1971	26.8	29.7	46.4	16.4	45.7	37.0	37.8	21.7
1972	27.7	30.1	46.7	19.5	48.8	36.4	37.5	22.7
1973	32.5	32.4	41.4	15.2	35.8	37.9	39.3	22.6
1974	27.3	30.9	51.8	13.4	34.8	41.3	40.0	24.9
1975	42.5	32.7	56.0	18.9	37.0	41.7	40.0	29.9
1976	40.8	37.1	58.1	15.2	46.5	43.5	41.7	29.3

*Workshops with over 30 workers on payroll.

Source: The Ministry of International Trade & Industry

continued to boost labor's relative share by 7-10 per cent almost without a break, except in 1973 and 1974.

On the other hand, the increasing tempo of labor productivity has changed markedly in accordance with the trend of business. It thus may be said that the fluctuation of labor's relative share has been more decisively regulated by the change of labor productivity. For example, labor's relative share advanced in 1974 and 1975 when labor productivity declined under the impact of the recession.

As stated, labor's relative share has tended to decline during the period of business upswing and to advance during the period of business downswing. It thus has followed a course contrary to the general business cycles.

A decline of labor productivity usually stems from the gap in the process of adjustment of production and employment in a recession period.

This serves to indicate that enterprises have managed to maintain employment during the recession period by coping with the decline of labor productivity by elevating labor's relative share.

Reference may be made next

The international bank with your interests at heart.



We have your interests at heart.

DAI-ICHI KANGYO BANK
London Branch: Fifth Floor, P.O. Box 122-123 Leadenhall Street, London EC3V 4PA, England Tel. (01)-253-0579
Head Office: 2-2-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100, Japan
Branches and Agencies: New York, Los Angeles, Düsseldorf, Taipei, Seoul, Singapore, Representative Offices: Chicago, Houston, Toronto, São Paulo, Mexico City, Caracas, Frankfurt, Paris, Beirut, Jakarta, Sydney
Subsidiaries: Citicorp, Amsterdam, Zürich, London, Hong Kong
Affiliated and Associated Companies: 21: Rio de Janeiro, London, Luxembourg, Hong Kong, Bangkok, Singapore, Kuala Lumpur, Jakarta, Manila, Melbourne, Sydney.

HOME NEWS

Inflation rate will rise, say brokers

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A SLIGHT acceleration in the rate of price inflation back into double figures during the first half of next year is forecast today in two stockbrokers' reviews.

The brokers—Wood Mackenzie and Montagu Loeb, Stanley—both expect a buoyant level of output for the rest of this year with some slowdown in the rate of growth during 1979.

Wood Mackenzie expects a rise in real gross domestic product of 3.7 per cent in the year to the second half of 1978 and of 2.2 per cent in the following 12 months.

On inflation, Montagu Loeb expects a rise in the 12-month rate of increase to 11 per cent in the first half of next year, compared with less than 8 per cent at present, although some moderation is expected subsequently.

A broadly similar view is taken by Wood Mackenzie which expects that the rate will be around 10 per cent for a short period in mid-1979, before declining later.

On the current account, Wood Mackenzie is expecting only balance this year with Montagu

Loeb looking for a surplus of £500m in 1978 as a whole. Both brokers expect there will be a surplus next year with figures of £300m and £150m respectively.

A relatively pessimistic view of the prospects for interest rates and the gilt-edged market is taken by Montagu Loeb.

"Although short-term interest rates may fall slightly in the next two or three months, the decline is not expected to be substantial."

"The ratchet effect of the artificial manipulation of interest rates will probably mean that Minimum Lending Rate will have to go above 10 per cent before the end of 1978-79, may be up to 12 per cent."

The brokers are relatively bullish about long-term interest rates as well. They suggest that domestic credit expansion in 1978-79 will exceed the ceiling of £60bn by £750m.

The most bearish factor is reckoned to be the size of the borrowing requirement with life assurance companies and pension funds having to invest around £4.1bn in gilt-edged stock this year compared with the record £2.9bn in 1977.

Home freezer stocks raided

BY CHRISTOPHER PARKES

THE HIGH price of red meat has prompted housewives in Britain to delve into their freezers to use stocks they bought last year.

During the first three months of the year they used about half of their reserves of pork, according to figures published today in the latest National Food Survey from the Ministry of Agriculture.

They also ate more chicken and sausages—cheaper alternatives to beef and lamb. Consumption of poultry was about 18 per cent higher than a year earlier at 6.38 oz per person per week.

Beef consumption slipped below levels reached in the final three months of 1977 but was still 3 per cent higher than in the first three months of last year.

Lamb eating was 2 per cent down on the previous three months but 4 per cent up on the year.

The Ministry claims to have adjusted its sampling techniques

to allow for the increase in the number of families using freezers.

Its figures show that allowing for the use of home reserves, consumption of pork in the period under review was 9 per cent higher than the previous year.

The Financial Times' monthly surveys of consumer confidence and grocery prices will be published tomorrow.

Three months and 2 per cent up on a year ago.

The cost of eating in the U.K. rose by almost 2 per cent, compared with the last quarter of 1977. Excluding sweets and soft drinks, the average spent on food for consumption at home was £5.39 a head a week, compared with £5.90 a year earlier.

The amount of many staple foods consumed has fallen. People bought less butter, cheese and milk.

Milk orders were cut when the

Cluff Oil recruits Linning

By Ray Dafter, Energy Correspondent

CLUFF OIL, a British independent oil company, has recruited Mr. Matt Linning, formerly a general manager of BP Petroleum Development, to strengthen its bid to become operator of new exploration licences in the North Sea and elsewhere.

Mr. Linning, one of the most experienced operators in the North Sea where he was manager of BP's Forties Field development, has joined Cluff as technical advisor and representative of the company in Scotland.

He retired from BP in March after serving as general manager for exploration and production with BP Petroleum Development.

Cluff is operator on a small concession in the Irish Sea. It is also a partner in the North Sea Buchanan Field, but in the last round of licences was an unsuccessful applicant.

Mr. Aloys Cluff, managing director of Cluff Oil, has already indicated that he is constructing a consortium to bid in the next round of licences.

The Government's consultative document on possible conditions for the round of concessions indicates that independent companies may be encouraged to take a stake in future drilling activities.

Pre-election whistle blown by Healey

BY RUPERT CORNWELL LOBBY STAFF

MR. DENIS HEALEY last night effectively blew the election campaign whistle three months early with a savage attack on the Conservatives and the promise that Labour would fight on a platform of unity and co-operation.

With an October election looking more certain every day, the Chancellor declared that the Tories had no policies to offer, only division. They were aiming to "set community against community and class against class."

The Opposition, he told a Labour rally in Portsmouth, was split on industrial relations, on the economy and on education policy.

Mr. Healey left no doubt that one of the main strands of Labour's electoral strategy will be to present itself as the party of moderation which has at last set the economy on the right lines and the Conservatives as dangerous extremists who would destroy the progress made.

Labour, he said, had brought Britain through the "most savage economic hurricane" and would fight the election on that achievement. The three priority tasks for the future were to increase national wealth, improve the standard of living and bring down unemployment.



Mr. Denis Healey

Some people, the Chancellor warned, had suggested that by appealing to reason and idealism Labour would be giving itself a handicap in an election which the Conservatives wanted to make the dirtiest since the Second World War. But to present the facts "honestly and squarely" was a precondition of electoral success, he said.

MP's death increases Labour's difficulties

BY OUR LOBBY STAFF

LABOUR'S overall Parliamentary position worsened further at the week-end with the death of Mr. Joe Harper, a Government Whip and MP for Pontefract, Yorks, since 1962.

Although the seat, which would require a Tory swing of about 25 per cent to change hands, is one of Labour's safest, the loss of 84-year-old Mr. Harper puts the Government in a minority of 308 to 323 against all other parties, with two by-elections in Labour-held seats next month.

These polls, at Pontefract, South Yorks, and Moss Side, Manchester, will be held on July 13. They are aimed at boosting the Government's numerical strength for several key votes before the end of the session, and will provide Mr. Callaghan with a final test of public opinion before the General Election now taken for granted in October.

Fisheries case 'understated'

MR. JOHN SILKIN, the Minister of Agriculture, has underlined Britain's case in EEC fisheries negotiations, one of the UK's fishing organisations claims. In his attempt to win for Britain the major share of Common Market fish resource, Mr. Silkkin has based his arguments on Ministry of Agriculture figures which show that 60 per cent of EEC catches are from Britain's 200-mile zone.

But the National Federation of Fishermen's Organisations has now published evidence suggesting that Britain in fact contributes 70 per cent to the Common Market "fish pond." The evidence is the work of Mr. Mervyn MacLennan, managing director of a Grimsby small boat agency, who has been analysing official catch data for 1974.

NEWS ANALYSIS—SCOTTISH UNEMPLOYMENT

Pressure on Clydebank

BY JOHN LLOYD

CLYDEBANK was once known as the Marston of the North, the place where the shipbuilding industry was born. It was the home of the shipbuilding industry, and it was the home of the shipbuilding industry. It was the home of the shipbuilding industry, and it was the home of the shipbuilding industry.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

The shipbuilding industry in Clydebank has been under pressure for some time. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession. The industry has been hit hard by the recession, and the shipbuilding industry has been hit hard by the recession.

LABOUR NEWS

Union leaders issue warning over Boyle salaries review

BY PHILIP BASSETT, LABOUR STAFF

UNION LEADERS said yesterday that their members would expect similar increases if the Government implements the 70 per cent pay rises for chairmen of nationalised industries proposed by the Boyle review of top salaries.

The Boyle proposals, which are being studied by the Government, would give rises of nearly £17,000 to chairmen of nationalised industries and up to about £10,000 for senior armaments officers, judges and civil servants.

Mr. David Bassett, TUC chairman and general secretary of the General and Municipal Workers' Union, said the Government could not implement the Boyle report while there was a 10 per cent earnings limit.

Other public sector union leaders, whose unions are bound to bear the brunt of any pay policy the Government might try to introduce for the next wage round, which begins in five weeks' time, made direct comparisons with their members' pay.

Mr. Alan Fisher, general secretary of the 850,000-strong National Union of Public

Employees, said that if the formula the Boyle report had worked out was good enough for those at the top it was good enough for those at the bottom, whose needs were greater.

He was not arguing that top paid people did not have a case for pay increases, but that like them, the lower-paid public sector workers ought to be compared with private industry.

Mr. Ken Thomas, general secretary of the Civil and Public Services Association, which is common with other Civil Service unions, accepted a 10 per cent settlement for its members, said that trade unionists would not listen to the Government's encouragement to be careful and cautious in the next wage round if salary rises as high as these went through.

New incentive scheme put to BL unions

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

BL CARS has put a new incentive scheme to the unions to move to raise flagging output.

Mr. Michael Edwards, the chairman, has made it clear that the early introduction of such a scheme is "crucial to the survival of the company." Broad outlines only have been submitted to the unions but detailed negotiations are expected to begin next week.

Bonuses are likely to be based on overall plant performance and therefore fail to meet union demands that payment should be related more directly to individual effort.

The 800 shop stewards at the troubled Longbridge plant, Birmingham—BL's biggest—are to appeal today to the 30,000 manual workers to curtail wildcat action to get production moving.

Workers will be urged to exhaust official negotiating procedures before contemplating a walkout.

At the Rover plant, Solihull,

new moves are likely today to lead to a strike now running into its third week. The 80 external drivers who walked out after the dismissal of a shop steward are expected to be urged by full-time union officials to return to work.

More than 5,000 workers at nine plants are already laid off by the dispute and production of Rover saloons, Range Rovers and Land Rovers is at a standstill. Lost output is valued at £3m a day at showroom prices.

EDITORIAL STAFF at the Richmond Herald, Surrey Comet and Middlesex Chronicle newspapers will begin an official National Union of Journalists strike today to protest at plans by the management, Trident Group Printers, to turn the Herald into a giveaway paper. Its editorial staff would be reduced from eight to three.

Giveaway strike

EDITORIAL STAFF at the Richmond Herald, Surrey Comet and Middlesex Chronicle newspapers will begin an official National Union of Journalists strike today to protest at plans by the management, Trident Group Printers, to turn the Herald into a giveaway paper. Its editorial staff would be reduced from eight to three.

WESTLAND unions meet

BY PHILIP BASSETT

SHOP STEWARDS at Westland Aircraft's helicopter plant, Yeovil, met this morning to discuss the company's dismissal warnings received over the week-end by 2,000 manual workers.

Industrial action is unlikely to be considered at this stage as the unions feel that further moves must come from the management.

Westland wants to scrap the piecework system of payment which at present applies to half the manual workers and replace

it with a flat rate of pay for a 40-hour week in order to solve long-standing pay problems.

Mr. John Speechley, managing director of Westland Helicopters, said in a letter to the manual workers that the piecework system had become uncontrollable and was too costly.

The unions say that the company has offered a basic rate for manual workers of £71 per week, with a £10 "frozen" supplement to act as a cushioning effect against the ending of piecework.

Engineers seek compulsory registration

By Kenneth Gooding, Industrial Correspondent

A STRONG plea for the statutory registration of professional engineers has been made by the United Kingdom Association of Professional Engineers in its 1978-79 report.

The association believes that statutory registration would bring substantial advantages to the country in defining the engineering profession by replacing the voluntary and ineffective registers currently maintained by the Council of Engineering Institutions.

It suggests that the present 16 chartered institutions should be combined into one with separate "learned society" sections, as in Australia and Sweden where the profession presents a united image.

Dfls. 60,000,000.-
6 1/2% Guaranteed Bearer Notes 1972
due 1976/1979

of
TELEDYNE
INTERNATIONAL N.V.

Curaçao N.A.

Third annual redemption instalment
(Redemption Group No. 3 and No. 2 fell due
on August 1, 1976 and August 1, 1977 resp.)

As provided in the Terms and Conditions
Redemption Group No. 4 has been drawn for
redemption on August 1, 1978 and consequently the Note which bears number 4 and
all Notes bearing a number which is 4, or a
multiple of 4, are payable as from

August 1, 1978

at
Algemene Bank Nederland N.V.
(Central Paying Agent)
Amsterdam-Rotterdam Bank N.V.
Bank Mees & Hope N.V.
Pierzon, Holding & Pierson N.V.
in Amsterdam
S. G. Warburg and Co. Limited
in London
Algemene Bank Nederland in der Schweiz AG
in Zurich
Algemene Bank Nederland (Genève) S.A.
in Geneva
Kreditbank S.A. Luxembourg
in Luxembourg

June 14, 1978

This advertisement appears as a matter of record only

March 1978



Mohamad Bin Masaood and Sons

on behalf of its wholly owned subsidiary

Emirates Air Service

US\$6,000,000 Secured Aircraft Financing

Managed by

Khalij Commercial Bank Wardley Middle East

Limited

Limited

Provided by

Abu Dhabi Investment Company American Express International Banking Corporation

The British Bank of the Middle East Credit Suisse Khalij Commercial Bank

Midland Bank Limited

Toronto Dominion Bank

Wardley Middle East Limited

Wells Fargo Bank, N.A.

Agent

The British Bank of the Middle East

Security Agent

Khalij Commercial Bank

Limited



THE AVERAGE DRIVER DOES 10,000 MILES A YEAR.
THE AVERAGE VOLVO DRIVER DOES 16,000.
COULD THIS HAVE SOMETHING TO DO WITH IT?



Volvo have always been ready to support the motorist in the back. Where it counts.
When we designed our seats we worked with doctors who measured the activity of the spinal muscles.
This helped us make the first driving seat with built-in lumbar support.
On the Burbo in Volvo we couldn't just sit back and relax. We were more supple, an even better seat.
It's more contoured and wraps around with a leg rest that's raised to give better support to the legs.
We've improved the cushioning and made the seat 50% softer. We've even refined the lateral support control.



The way we look at it is this: the more backache we have, the less backache you have.
IT'S GETTING BETTER ALL THE TIME.

as a decorative finish in
places where it has not previously
been used, the company attests.
National Adhesives and Resins
at Slough (0753) 33494. Cabi-
n Industries on 0151 3811.

The Executive's and Office World

Francis Duffy explains how a much more positive approach is being taken to property conservation

Building a reputation for make-do-and-mend

CASTING one's eye to heaven is a tricky business in city traffic but it does have one great reward: estate agents' signs, dirty windows, and perpetually extinguished lights reveal how much office space is standing empty. And a disproportionate amount of this emptiness is in older buildings. New office buildings still seem more attractive to prospective tenants despite relatively high prices and questionable utility. And yet the older, smaller, more down at heel office buildings still form the vast bulk of office property—and the very fabric of our inner cities.

Ten years ago there would have been no hesitation. Tear the old buildings down and redevelop would have been the obvious course of action. Now the conservation movement, powerfully aided by a depressed economy, is more likely to lead to a policy of make do and mend, with perhaps the occasional spectacular scheme of refurbishment. An obvious example is the Court's Bank project in the Strand (Frederick Gibbard and Partners); here the facade is retained but practically everything is renewed behind it.

More loved

Conservation is a powerful movement. Old buildings are more loved and more vociferously protected than ever before. We should be grateful, since the experience of post war rebuilding has often borne out the layman's fear that a new building is always inferior to what went before. But conservation has acquired a less negative and less protective aspect which begins to sound

very like a feasible policy in its own right. SAVE provides an excellent example of this. Far more important in my opinion than this young movement's spirited but unsuccessful campaign to keep the Victorian splendours of Mentmore intact, was its report on the provision of offices for central and local governments. Its conservation proposals have important implications for all office users, commercial as well as government.

Growth, new departments and local government reorganisation inexorably increases the demand for office space for bureaucrats. Why should this demand be met by expensive new buildings when "high quality office space can be provided by conversions, adapting or improving existing buildings at a considerably lower cost?" With considerable flair, much thoroughness and some telling statistics SAVE cuts a wide swathe through the accommodation policies of government departments and local authorities as far afield as Hillingdon and Argyll. Great stuff for the headline writers, but behind them is a serious message—old property is a resource which is cheaper and can be used at least as effectively as new buildings.

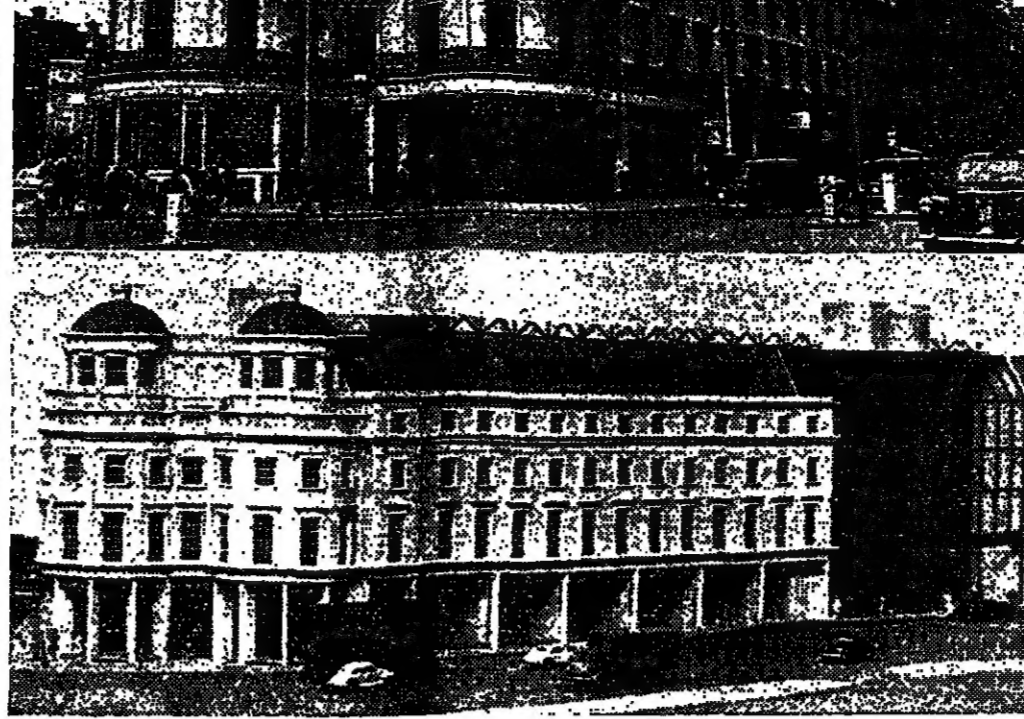
It is odd that the official response to SAVE's attack has been so tight-lipped. Several very basic arguments could have been made against SAVE's proposition that reused space is always better than new.

Refurbishing costs are not always lower than rebuilding; a lot depends upon the state of the property, as every owner of a crumbling stately home

knows very well. Moreover, office refurbishment costs are notoriously hard to compare with building costs, since some items like furniture and carpets have a short life span, while other building elements like structure and windows are meant to last for a long time. Sharp distinctions between the two are not always drawn, even by building owners and quantity surveyors. SAVE's analysis takes no account of this difference.

Location is not taken into account by SAVE—a factor which is so important in office planning that the grouping together of certain departments in one place for efficiency, and within easy access of public transport to make recruiting easier, could very well justify a new building on a new site. Space use is not considered: older buildings have certain physical characteristics such as an accumulation of small rooms which are a direct result of the form of construction and cannot be knocked into each other. These are formidable constraints in office planning and might very well rule out certain kinds of layout or make certain working relationships unattainable. Moreover older buildings are often extremely inefficient in providing usable office space. Well planned new buildings should provide more usable space, better serviced with few wasteful lobbies and corridors.

The atmosphere of buildings is disregarded: old buildings might symbolise management philosophies, bad old ways against which a new style local authority (or a new management team) might be reacting firmly and finally. Unimportant status distinctions, such as rooms of



How the facade of Court's Bank is being retained while almost everything behind is being renewed.

varying sizes for various levels of management, might have become established in the fabric of an existing building almost in the way that dry rot infests an old house. Moving into new premises might be the only effective cure short of fire and the sword.

Like any new start, a new building may be highly desirable for all sorts of reasons. I am sure that SAVE did not intend to interdict all new building for all time. Nevertheless its report is extremely valuable because it draws attention to a neglected truth—new buildings are relatively few in comparison to the vast stock of existing office accommodation. The real problem for users and designers is less to plan new buildings than to use what we already have more effectively.

Take small businesses for example. Small firms with limited financial resources but a great deal of energy can make use of property which would be impossible for other users either because the lease is too short or too uncertain, or because the shape of the space is inconvenient, or most commonly of all because it is so far below accepted standards of convenience or cleanliness that only inspired do-it-yourself could make occupation possible.

Far removed

This is why old mills in Lancashire and old warehouses in London are at this very moment being lovingly converted for use by small enterprises. Like attracts like: small entrepreneurs find the spaces which suit them best. But this concept is far removed from the cautious risk-taking of conventional property development.

Or take another example: the typical firm of medium size and middle age which is accommodated in several older buildings of varying degrees of inconvenience. Very probably a new building, custom built or leased, is out of the question on cost grounds. The property experience of such a firm is typically a continuous succession of adaptations and renovations, a long drawn out attempt to make the best of what they have already.

The reputation of old offices would be improved if small and medium sized businesses realised using such accommodation requires as much if not

more creative design effort as the cool and sophisticated layout planning which is thought to be necessary in new office buildings. Space needs to be matched against requirements whether a building is old or new.

What would advance SAVE's arguments enormously is a general understanding that such a design effort can be packaged. Buildings have physical properties which can be measured—they have typical room sizes, typical room depths from window to corridor, typical entrance halls, typical numbers of storeys. The building history of this country is, on the whole, highly standardised. Old warehouses, old office buildings are often as consistent in floor plan as Georgian terrace houses.

The generic qualities of these properties are vital because they can very easily be matched against equally typical user requirements. Small impoverished enterprises as well as medium-sized businesses have a range of requirements which is not too wide: they tend to need rooms of certain sizes, typical office depths, typical entrances and above all have typical financial resources. Such requirements can be catalogued and matched against the kinds of space that are available.

Of course, this is heresy: heresy to architects who tend to argue that each client is unique, and double heresy to developers, whose bias is towards assuming that all user requirements known to man can be met by the standard 40 ft deep new speculative office. Either way it is an excellent heresy: since it can make possible the far more intelligent selling of space, based on its capacity to accommodate, as well as its location and price; better decisions by management in choosing space which is appropriate to their needs; and, ultimately, development strategies which would take into account the enormously rich resource of spaces of various kinds in our existing older buildings.

Perhaps it is significant that this kind of thinking first arose when attempts were made to use dilapidated premises in inner cities. It is here that resources are scarcest and the problems of making do with what exists are the greatest: it

Bank's advice to small firms

A DIRECT mail shot by the Bank of England is an unusual event. The decision to buy a mailing list and to send out 80,000 free copies of its new guide to business finance is therefore a good indication of the importance which the Bank attaches to its potential audience among the small to medium-sized companies in the UK.

It is accepted wisdom by now that there is a gap in the information available to the smaller companies about the sources of finance which are available to them and about how they should set about tapping the lenders. The issue was first raised in the Bolton Committee report in 1971 and since then a growing volume of mainly anecdotal evidence has underlined the problems faced by the small company sector.

Priority

The activities of the Wilson Committee on the financial institutions have again brought the issue to the fore, and a number of efforts have been made to bridge the gap which clearly exists between the down-to-earth businessman and the remote financial forces of the City. The Bank of England's decision to move into the field, in association with the City Communications Centre, emphasises the priority which is being given in the highest City circles to easing the path of the small businessman.

The fact that this newspaper has already received many phone calls and inquiries since the release of the Bank's new book is some indication of the probable demand. This will no doubt be more than duplicated among other outlets and particularly in the branches of the big banks, which have taken a large number of copies for distribution to their customers. The book is being made available to small businessmen free of charge—though additional copies may cost £1—and this may also help to encourage its wide distribution.

It is important, though, that the small and medium-sized businessmen should understand what is being offered. The new book, like other guides, should help them in their financial decision-making. But it will not provide the complete answers to

their problems. It is one of the main themes of the book itself that a guide of this kind can be no substitute for seeking the right kind of professional advice.

The businessman must also accept that, even when expressed in non-technical language, a description of the wide variety of forms of finance on the market and of the approach required to take the best advantage of them can be pretty heavy going. The book, however, will repay study for any businessman thinking of setting up a new operation, expanding an existing company or simply looking for an alternative source of funds.

It provides in its final section a comprehensive list of the various sources of finance. These range from the acceptance houses—the top flight merchant banks and the big clearing banks through a whole spectrum of other institutions including foreign banks and a wide range of specialist lenders. The Bank has not attempted to draw distinctions between the individual banks and institutions in particular categories—though its section on the companies which are prepared to offer development capital gives some indication of the kind of propositions in which they would be interested—but it does bring together the names which might be useful to a borrower.

The essential background to this list is provided by the earlier chapters. The first part of the book underlines the need to understand the appropriate use of the different types of finance and describes in general terms the range on offer. "Each type of finance," the book comments, "can be particularly appropriate for some situations but can be quite inappropriate for others."

Perhaps the most useful function of the book, though, may be to bring home what the businessman himself may be required to do in order to gain access to the right kind of outside finance.

Money for Business: Bank of England and City Communications Centre; available from the Public Information Division, Bank of England, London.

Michael Blanden



BARCLAYS BANK NOW HAS A BRANCH IN ZURICH.

A branch of Barclays Bank International is now open in Zurich. We have had a representative's office there since 1962, so we are already familiar with the business scene in this important international financial centre.

The new branch will strengthen the support we already give to British and other European companies in the development of their international business.

Zurich takes its place among our many other branches in over 70 countries throughout the world, and is equipped to provide a comprehensive range of international and corporate banking services.

Contact our Chief Manager in Zurich, Derrick Waple, at the address below; or in Britain, get in touch with our International Division at 168 Fenchurch Street, London EC3P 3HP (telephone 01-283 8989, extension 3382).



BARCLAYS International

Barclays Bank International Limited
Postal Address: PO Box 1008, CH-8022 Zurich, Switzerland
Street Address: Talacker 41, CH-8001 Zurich
Telephone: 221.13.35
Telex: 74884

Build offices
Build with
Willett

BUILDING EXPERTISE AS WIDE AS MAN'S IMAGINATION

Willett Limited, Mitcham House, 681 Mitcham Road, Croydon CR9 3AP
Telephone: 01-688-2266 Telex No: 946511

If you have to get
packages to the
U.S.A. fast, life will
be a lot easier
from July 3rd.

On July 3rd British
Caledonian's Top Priority
Express Package Service takes
off.

Packages up to 22lbs. (10
kilos) delivered door-to-door
from anywhere in Greater
London or Aberdeen to over
9,000 towns and cities across
America. Fast.

Call: Aberdeen 722331
or London 01-668 9311
FOR FULL DETAILS AND
INFORMATION PACK.

EXPRESS PACKAGE SERVICE
Over 9,000 towns and cities across America. Door-to-door. Fast.

**British
Caledonian**



Understanding finance

A MANAGEMENT report has been produced by the Institute of Personnel Management which aims to provide managers with a basic understanding of accountancy practices as well as advice on how to present financial information to employees and how to train them to receive and understand facts about their company's financial position.

The Employment Protection Act places a duty on employers to disclose information for collective bargaining purposes and an ACAS Code of Practice provides guidance on what should be disclosed. Furthermore, it

has become good industrial practice in today's social and economic climate to keep employees informed on what is happening in the organisations in which they are employed; they expect to be consulted and able to participate when decisions are being made which will affect their future working conditions, remuneration and security of employment.

The Disclosure of Financial Information to Employees, by D. M. C. Jones, IPM, Upper Woburn Place, London WC1E 6JF, plus 65p postage.

Management Studies at PCL

MA in Manpower Studies

A one-year, full-time course with major options in:
INDUSTRIAL RELATIONS
MANPOWER DEVELOPMENT
MANPOWER PLANNING

Starting September, 1978, for DMS holders, Business Studies graduates and others with appropriate management experience.

Diploma in Management Studies

The objective is to accelerate the development of those with management potential. A wide range of options is available, and the course may be taken as one year (full-time), two year (part-time) or three year (evening).

Other courses include:

Diploma in Arts and Leisure Administration, Diploma in Overseas Marketing for Language Graduates, Diploma in Personnel Management.

Further details from: The Registry, School of Management Studies, Polytechnic of Central London, 35 Marylebone Road, London NW1 5LS. Tel: 01-486 5811 ext 253.

FINANCIAL TIMES SURVEY

Monday June 26 1978

مكتبة الأصل

Federal
unity
under
threat

By James Buxton

THE UNITED Arab Emirates has a reputation for proving its critics wrong. Few people expected that when Britain withdrew from the Gulf at the end of 1971 the seven sheikhdoms lying between Qatar and Oman would decide to form one federation, and even when the decision had been made there were many sceptics who said it could not hold together for more than a few months.

Yet six and a-half years later the UAE is a respected entity on the Arab world stage, partly because it is a major oil producer and partly because of its generous aid disbursements in the rest of the underdeveloped world. Its federal system of government has gradually acquired a larger role, and there is a growing degree of economic inter-dependence. To an increasing extent the people of the federation see themselves as UAE citizens rather than as nationals of individual Emirates.

That is saying quite a lot when one considers the background against which the UAE was established. British influence in the Gulf brought stability but, accompanied as it was by a policy of largely avoiding interference in the internal affairs of the sheikhdoms, prevented political evolution and virtually fossilised the status of different sheikhdoms as separate and permanent entities. Nor was there any development assistance to speak of, with the result that the UAE began its existence with a pitiful number of trained and educated people. But despite this, and the different economic strengths

of the Emirates, the Rulers were all determined in varying degrees to maintain the identity of their individual States within the federation.

The enormous oil wealth of Abu Dhabi, and the rather smaller oil revenue and trading income of Dubai, have helped the federation overcome some of the basic economic problems it faced (there was, for example, no road between Abu Dhabi and Dubai at the outset). These two economic powers have stimulated the economies of the other Emirates, while Abu Dhabi has directly benefited them through its large contributions to the federal budget and through acts of direct generosity by Sheikh Zaid bin Sultan al Nahayyan, the President of the UAE and Ruler of Abu Dhabi. Through the UAE Currency Board Abu Dhabi provides much of the foreign exchange for the UAE, and the federation is gradually becoming one market.

Mixed

But oil revenue can only be called a mixed blessing, as other oil revenue surplus states are aware. Money in the bank does not turn a nomad into a technocrat, nor a tribal elder into a competent civil servant, and the sudden quadrupling of the oil price in 1973-74 has only accentuated these problems. Immigrants have poured into the UAE from the Arab world and the subcontinent, outnumbering the indigenous population by about four to one. The sudden wealth of the UAE and of the region in

The United Arab Emirates is emerging from a recession. The slower pace of development is giving it a chance to review what has been achieved so far, but this has served to emphasise the difference between the Emirates.

general has enabled the different Emirates to pursue their own development programmes with their own money, or with borrowed money or grants from inside or outside the federation, and this has led to the much publicised duplication of facilities, especially ports and airports. In the UAE, it has put individual rulers at risk to the blandishments of unscrupulous advisers, and made possible wasteful competition between individual Emirates.

The fact that Abu Dhabi's financial power has become so great has not always made it popular with the other Emirates — no one really likes receiving charity — and Abu Dhabi has been blamed in the other Emirates for the precipitate imposition last year of credit controls by the UAE Currency Board which set off a recession. That recession has made other Emirates if anything more anxious to insulate themselves as far as possible from economic dependence on Abu Dhabi — in most cases, with little hope of success.

Abu Dhabi has become frustrated at the limits to its power to influence the other Emirates, despite its financial strength. The murder last year of Mr. Seif Ghobash, the Mini-



Sheikh Zaid of Abu Dhabi, President of the UAE.

Sheikh Rashid of Dubai, Vice-President of the UAE.

ster of State for Foreign Affairs, by a Palestinian terrorist, brought home to it the vulnerability of the UAE to the imported politics of immigrants, and made it more concerned about the course of development in the federation in general. But there is a major difference of approach over these issues between Abu Dhabi and Dubai and this fact, together with the traditional

rivalry between two ruling families, lies at the root of the present crisis in relations between them — probably the most serious political crisis the UAE has been through. Whereas Dubai has developed as a business and trading centre using the skills of local and immigrant merchant families, Abu Dhabi started development, based on its oil revenue, later and from a much lower base. It

has relied heavily in government on expatriate advisers and civil servants, particularly from the Arab world, and, almost without knowing it, let the federal government, based in Abu Dhabi, grow up on lines similar to the Abu Dhabi Government.

The federal bureaucracy is an enormous institution which with the Abu Dhabi Government together numbers about 40,000 people, at least 25,000 of them expatriates. It breeds a plethora of committees, study groups and reports, but produces relatively little action. The rate of implementation of the federal budget has risen only slowly, and its actual spending is still dwarfed by the spending of Abu Dhabi and Dubai.

While Abu Dhabi has been having doubts, Dubai has committed itself firmly to a policy of industrialisation. Having prevented immigrants from becoming a serious problem in the past, Sheikh Rashid bin Sa'ed al Maktoum is less concerned about this issue. Dubai finds Abu Dhabi's concern about immigration somewhat irksome — particularly the federal decision taken last year to end the issue of transit visas in the UAE, which has stopped casual business visits to the UAE and

hampered Dubai's trade in particular. Sheikh Rashid feels, with some justification, that Dubai can provide what the federal government offers more cheaply and better. While supporting the basic concept of the federation he is alarmed at what he sees as the loss of day-to-day control over its affairs by UAE nationals.

The dispute between the two Emirates which brought these underlying problems to a head broke out in February and has been rumbling ever since, but only recently has Sheikh Rashid spoken publicly about it, apparently out of frustration at lack of progress towards settling it. It began with a move by Sheikh Zaid which almost every observer of the UAE scene feels was somewhat tactless: he appointed his second son, Sheikh Sultan, to the post of commander in chief of the armed forces as a part of a plan to implement the unification of the different defence forces which had been agreed upon in the past but only partially implemented.

Impatience

This step, which may have indicated Sheikh Zaid's impatience with what he regards as slow progress towards greater federal unity, upset the hierarchical relationship among the ruling families in the UAE and appeared to pre-empt the conclusion of discussions on the armed forces which were already in progress.

To make matters worse, the appointment was announced while Sheikh Zaid was out of

CONTENTS	
The economy	II
Oil	III
Aid	III
Gas	IV
Industry	VI
Infrastructure	VII
Ports/airports	VIII
Abu Dhabi	X
Dubai	XI
Sharjah	XII
Ras al Khaimah	XIV
Northern Emirates	XV
Banking	XVI
Borrowing	XVIII
Expatriates	XVIII
Merchants	XIX
Labour	XX
Trade	XXI
Social Welfare	XXII
Education	XXII
Housing	XXIII
Construction	XXIV

the country, leaving Sheikh Rashid acting-President — yet Sheikh Rashid says that he was not consulted. He also says that the procedure used in making the appointment breached provisions of the UAE constitution. Since February the armed forces of Dubai and Ras al Khaimah, still nominally part of the federal armed forces, have refused to accept orders from the federal commander, and Dubai has independently ordered a number of British Scorpion light tanks for its forces.

Most alarming of all it has also privately made clear that it is seriously contemplating leaving the federation (and would in that event probably be joined by Ras al Khaimah and Umm al Qaiwan).

This has aroused regional and international concern, because a break-up of the federation could lead to intervention by other states in the region, which would be a source of instability, and might even threaten the continuation of monarchical rule in the Gulf. For this reason both Iran and Saudi Arabia which had reservations about the creation of the UAE when it was set up in 1971, have been emphasising the dangers of the continuation of the dispute to both Sheikh Zaid and Sheikh Rashid, while Britain, which has

CONTINUED ON NEXT PAGE

COSTAIN HAS BEEN IN THE
MIDDLE EAST SINCE 1935.

AND IT SHOWS:

Airports
Bridges
Complete Industrial Processing Plant
(Ammonia, Cement, Desalination,
Gas Treatment, Lube Oil and
Natural Gas Liquids;
Gas Compressor Stations;
Oil & Gas Production Facilities.)
Container Handling Facilities
Defence Projects
Dredging
Drydocks
Educational Buildings
Fuelling Depots
Government & Commercial Buildings
Harbours
Hospitals
Housing
Land Reclamation
Marine Defences
Piling
Pipelines (Land & Submarine)
Power Stations
Radio & Broadcasting Station
Railways
Roads
Site Investigations (Onshore & Offshore)
Sports Complex & Stadium
Steel Rolling Mill
Townships
Tunnels
Water Supply, Sewerage and
Drainage Schemes



COSTAIN
COSTAIN INTERNATIONAL LTD.
111 Westminster Bridge Road,
London SE1 7UE.
Tel: 01-928 4977
Telex: 8811804 COSDON G

Abu Dhabi • Doha • Dubai • Hodeidah • Jeddah • Muscat • Tehran

* OIL

Preserving a balance

THE UNITED Arab Emirates produces about 6 per cent of OPEC's oil. Its 1977 average production of over 2m barrels per day amounted to rather more than 3 per cent of world oil production.

Only three of the seven Emirates are actually oil exporting States, and Abu Dhabi is by far the biggest with a 1977 average production of 1.7m barrels per day. Dubai last year produced about 340,000 b/d and Sharjah about 27,000 b/d (a 21 per cent drop from the 1976 figure). Two other Emirates, Ras al Khaimah and Umm al Quwain, have lately had setbacks in their drive to become oil producers, though Umm al Quwain is likely to become a gas producer.

Mr. Mana Said al Oteiba, the Federal Minister for Oil and Petroleum Resources, speaks for the UAE at OPEC meetings and is careful to explain OPEC decisions to the other oil producing Emirates. Dubai and Sharjah. But though these Emirates do pass on a certain amount of information on their oil operations to the Federal Oil Ministry there is no federal policy on oil. Dubai is not thought to have kept to the 5 per cent ceiling on oil prices which Abu Dhabi and Saudi Arabia maintained for six months after the Doha OPEC meeting in late 1976, and while Mr. Oteiba last autumn announced a 16 per cent cutback in the allowable oil production from Abu Dhabi's main producing areas for 1978, this year is likely to be a peak production year for Dubai.

The cutback in Abu Dhabi's production, amounting to some 265,000 b/d, was presented as being necessary both for technical reasons and as a conservation measure, as well as being an attempt, according to the Oil Minister, to reach a balance between supply and demand. (In practice liftings by U.S. customers have not come up to expectations and Abu Dhabi may fall short of the production maxima by 50,000 to 100,000 b/d, according to Mr. Oteiba.) It

may therefore appear paradoxical that at the same time Abu Dhabi is pressing its concessionaires to continue and even step up their exploration activities, and the Abu Dhabi National Oil Company (ADNOC) is pressing ahead with the installation of further oil production capacity, including the 3bn development of the Upper Zakum offshore field.

The paradox can probably be explained as a search for security. Abu Dhabi does not want to produce more oil than necessary, but it wants to know what its reserves actually are and it also wants to have the flexibility to meet any surge in demand.

Until this year's drop in production (about 10 per cent, below the equivalent period last year), Abu Dhabi's oil exports had been steadily increasing through the increase last year, around 9 per cent, was small compared to the increase in 1976 over 1975 of 22 per cent. The larger part of the cutback falls on the onshore fields where the concessionaire and operator is Abu Dhabi Petroleum Company (shareholders ADNOC 60 per cent, and BP, Shell, CFP, Near East Development Corporation all with 9.5 per cent, and Enfers with 2 per cent). There are four producing fields onshore though the cutback is spread over the three major fields, Asab, Bu Hassa and Bab.

Largest

For Abu Dhabi Marine Areas, the entire cut of 80,000 b/d has fallen on its largest producing field of Umm Shaif, whose associated gas is piped to the Abu Dhabi Gas Liquefaction Company's plant on Das Island. Shortfalls of gas for that company's needs are being made up by tapping the cap gas. However, work is still going ahead at Umm Shaif on a secondary recovery programme designed to raise capacity to around 380,000 b/d. One apparent aim of the cutbacks is to give a 20-year production plateau to Abu Dhabi's oil fields, given the 1978 levels of operation.

The most striking of Abu Dhabi's "investments in future oil producing capacity" is the work being done at the Upper Zakum offshore field. This field, which overlies the present producing field of Zakum (200,000 b/d at present), is probably the largest of Abu Dhabi's known oil reservoirs, though, as a low energy field, it has only been producing around 50,000 b/d recently. The equity shares in the development are owned by a joint venture of ADNOC (88 per cent) and the Japanese Overseas Development Company (JODCO), with 12 per cent. They in turn have set up an operating company called Zakum Development Company (ZADCO), which is owned 50-50 by ADNOC and CFP. CFP has (so far) no equity stake in the venture and is employed on a contractual basis to operate the field, for which it receives a contractor's fee and the right to buy 20 per cent of the output at the official price minus the management/operating fee.

Estimates of the oil reserves in the Upper Zakum field vary from 40bn to 60bn barrels, of which about 10bn barrels could be recovered with presently known techniques. The massive water re-injection facilities being constructed under the development programme could raise the level of output to around 350,000 b/d, but no returns are expected for at least three years. If all goes well there is the possibility of a further, unquantified, five year plan to raise production capability to 500,000 barrels a day.

A number of the small fields now producing are outside the usual 60/40 ownership pattern in ADNOC's favour and not subject to the OPEC guidelines on operator profits. The Abu Al Bukoosh Oil Company, for example, which operates the field of the same name (towards the sea border with Iran) has no ADNOC participation in its equity at all. The company is owned by CFP with 51 per cent, Sunningdale and Amerada Hess, each with 12.5 per cent, while Necop Eastern Exploration has

the remaining 24.5 per cent. The al Bunduq company operates a field which straddles the dividing line between the territorial waters of Abu Dhabi and Qatar and is equally and jointly owned by BP, CFP and United Petroleum Development Company, a grouping of mainly Japanese interests. Production fell by 7.4 per cent to 18,800 b/d last year because of technical problems and BP and CFP were recently said to be negotiating to sell their stakes to Godo Sekiyu of Japan.

Stopped

Abu Dhabi, through ADNOC, is taking a much more active part in the marketing of its crude. In the course of 1977 the standard buy-back system, whereby the minority partners bought and marketed a substantial proportion (40 per cent) of ADNOC's entitlement, stopped. ADNOC increased its own marketing capacity and managed to place four-fifths of its 60 per cent share of production, if the minority partners want to buy more Abu Dhabi oil than their entitlement, they now have to buy at the prevailing posted price.

As yet there are no moves by Abu Dhabi to assume 100 per cent control of ADPC and ADMA. Mr. Mana Said al Oteiba has said that Abu Dhabi needs the technology and personnel from the companies and that the take-over will only come when Abu Dhabi can manage the whole operation. Relations between ADNOC and its main partners have not always been easy as the state oil company started flexing its muscles. But the two sides have got to know each other better and to work together with less mutual suspicion. The creation of local operating companies, capable of taking their own decisions (the first of which is ADMA-Opec), has helped in this process. ADPC will form a new locally incorporated operating company on somewhat the same lines.

Dubai produces about one-fifth of the quantity of oil produced by Abu Dhabi from two

offshore fields, the Fateh and the South West Fateh. Only one group of foreign companies is involved, led by Continental Oil Company (Conoco) and operating through the Dubai Petroleum Company and the Dubai Marine Areas (DUMA). In 1975 the Dubai Government started Abu Dhabi, then in the process of taking over 60 per cent of ADPC and ADMA, by announcing the "100 per cent takeover" of DPC and DUMA. Under the agreement the companies' installations were transferred to the Emirate for \$110m compensation, but the companies retained responsibility for exploration, production and marketing on behalf of the Government. They were also allowed to continue lifting crude at a price equivalent to that applying in other Gulf countries, where 60 per cent participation agreements were in force, and were expected to continue maintaining the production facilities.

The Dubai offshore fields are worked by a consortium comprising Dubai Marine Areas (jointly owned by CFP and Hispanoil) with 50 per cent, Dubai Petroleum Company (a Conoco subsidiary) with 30 per cent, Deutsche Texaco (10 per cent), Dubai Sun (5 per cent) and Delfze Dubai Petroleum (5 per cent).

Dubai's estimated reserves are not published, though informed guesses have put them at about 185m tonnes, with a life at current rates of production of about 15 years. Production has risen steadily in the past 24 years, reaching an average of 325,000 b/d in the fourth quarter of last year and nearly 350,000 b/d in the first three months of 1978. Capacity is about 365,000 b/d, but there are indications that this is being increased.

So far Dubai has not found oil onshore. A new concession has been granted to South Eastern Drilling Company and Houston Oil and Minerals to drill in both an offshore area of nearly 500,000 acres and an onshore area of 1bn acres. Both these areas were relinquished by a

U.S. group headed by Texas Pacific Oil after a fruitless search which began in 1975.

In nearby Sharjah production is running more than 20 per cent below the level for the corresponding period of last year owing to production problems on the Mubarak field. Whereas total output in 1976 was 37,000 b/d it has recently been running at around 29,000 b/d. Installed capacity is 35,000 b/d, and the operating company is Crescent Petroleum company, whose biggest shareholder is Buttes Gas and Oil of the U.S. Sharjah takes only 35 per cent of the revenue from its offshore field, Iran and Umm al Quwain taking the rest.

Oil and gas shows were discovered off Umm al Quwain in 1976 by the U.S. company Zapata Exploration, and an agreement was reached last December with Dubai by which the Dubai Gas Company will develop the field at a cost of Dh 150m. Part of the gas will be piped to Umm al Quwain to supply a power plant and other industries, but the bulk of it will be exported to Dubai for use in the Jebel Ali aluminium smelter.

The story of Ras al Khaimah's shore waters (whose exact delineation is disputed by the impact of oil on a Gulf Oman) includes Deminex (25 per cent), Weeks Natural Resources (25 per cent) Societa Italiana Resine (20 per cent), the oil field operator and the host country. Hopes of a commercial oil strike in the early 1970s delayed Ras al Khaimah's entry into the Federation. Then in 1976 renewed signs of the possibility of oil in commercial quantities came to light.

The exploration group at the time was led by Vital, which later withdrew to be replaced by Deutsche Schachtbau. The Ras al Khaimah Government, probably the richest of the four most northern Emirates, then took a 50 per cent stake in the operation. Since 1976 a further two wells were drilled and the possible production assessed. One well was dry but the others between them tested at 6,500 b/d of good quality crude plus 17m cubic feet daily of gas. The Government let it be known that it had hopes of starting offshore production at a rate of about 20,000 b/d (marginally below Sharjah) in 1977, rising to 70,000 b/d in the early 1980s. The present group exploring for oil in Ras al Khaimah's off-

Doina Thomas

AID

The scope widens

The United Arab Emirates has for the past three years handed out annually more than \$1bn in aid, equal to approximately a fifth of Abu Dhabi's oil income. While the UAE's influence in the industrialised world is based on its position as a major oil producer—and one that has so far been prepared to take a moderate line on oil prices—the federation's influence in the Arab world and in other developing countries is based on its financial resources.

There is something tediously repetitive about saying that Sheikh Zaid, President of the UAE and Ruler of Abu Dhabi, is a generous man—probably no article ever written about him if ever go away empty-handed—usually more than once. But the fact is that the phrase is a very accurate guide to the UAE's aid policy, for there is a very strong personal element in it which is

directly inspired by Sheikh Zaid himself.

The UAE's foreign aid comes from Abu Dhabi, easily the wealthiest of the Emirates, and while a growing proportion is channelled through the Abu Dhabi Fund for Arab Economic Development, which is now a major aid-giving institution, the bulk of the country's aid goes through the Finance Department of Abu Dhabi, usually on the initiative of Sheikh Zaid himself.

Often this can be something of an ad hoc process, resulting from a long-arranged visit to Abu Dhabi by an African leader or a more hurried request made in person, but it is said that visitors to Sheikh Zaid rarely if ever go away empty-handed—partly the result, no doubt, of Bedouin traditions of hospitality, and partly a shrewd awareness that an oil revenue academic.

surplus State is fundamentally a fragile institution that needs more friends than one might at first imagine.

This is a factor which is not always appreciated elsewhere in the UAE where Sheikh Zaid's munificence tends to be regarded rather critically, with foreign aid disbursed set against the relatively small actual development spending of the federal government (a result at least in part of administrative constraints) and the fact that the President of UAE has recently been backing relatively few projects in the north of the country on his own account. There are certainly pockets of poverty and disease in the north villages, for example—which suggest that the statistical fact that the UAE has the world's highest income per head is pretty

CONTINUED ON NEXT PAGE

OPPORTUNITY is not a synonym for INGENUITY

June 1, 1977 to May 31, 1978
US \$200 million

When opportunities were few and far between we scored over \$200 Million worth of confirmed orders and contracts on behalf of our subsidiaries, affiliates and principals.

From selling simple airconditioning units to sophisticated power generation and desalination plants. From supplying oil field equipment to power cable laying. Our current activities and representation include a diverse range of products and services, important among which are readymix concrete, quarry and crushing, trucking and transportation, housing and high rise buildings, road contracts, street lighting, airport landing systems, elevators and escalators.

At GIBCA, we share the aspirations of a nation striving to build an ultra-modern infra-structure in record time. By contributing our mite. Harmonising opportunity with ingenuity. Providing a back-up of expertise and knowledge of the local scene.

GIBCA—helping build a modern nation

At Sharjah — Sultan bin Saqr al Qassimi
P.O. Box 289, Sharjah, U.A.E. Tel: 8082 GIBCA SH
Tel: 354243

At Abu Dhabi — Khalid bin Saqr al Qassimi
P.O. Box 2570, Abu Dhabi, U.A.E. Tel: 2384 GIBCA AH
Tel: 44286

At Dubai — Aziz Ahmed
P.O. Box 1579, Dubai, U.A.E. Tel: 5693 PEACE DB
Tel: 228490

GIBCA
LIMITED



بنك الاتحاد للشؤون الأوسط المحدود
UNION BANK OF THE MIDDLE EAST LIMITED

Balance Sheet at 31st March 1978

	Dh.000		Dh.000
Share Capital		Current Assets	
Authorised - ordinary shares of Dh. 100 each	500,000	Cash, balances with banks, money at call and short notice	304,608
Issued - ordinary shares of Dh. 100 each fully paid	159,200	Deposits with banks	46,334
Reserves	8,100	Loans and advances repayable on demand and under one year	570,757
Profit and loss account	470	Accrued interest receivable and other accounts	7,195
Shareholders' Funds	167,770		928,894
Liabilities		Other Assets	
Current and deposit accounts maturing under one year	671,796	Loans and advances repayable after one year	8,290
Deposit accounts maturing after one year	82,192	Investment securities	4,903
Accrued interest payable and other accounts	11,331	Premises and equipment	3,052
Proposed dividend	11,940		945,029
	945,029	Liabilities of customers for confirmed credits, acceptances and guarantees	419,885
Confirmed credits, acceptances and guarantees on behalf of customers	419,885		1,364,914
	1,364,914		

Principal Activity:

The Bank carries on the business of international merchant banking, together with full retail banking facilities to individuals, firms, corporations and government departments. In particular, special emphasis is given to short and medium term finance, promotion of import and export trade to and from the United Arab Emirates, corporate finance services, foreign exchange and money market transactions, short and medium term lending in local and major world currencies, investment banking, and private placements.

Bank Foundation Date and Results:

The Bank was incorporated in Dubai with limited liability in March 1977 by decree of His Highness Shaikh Rashid Bin Saeed Al-Maktoum, Ruler of Dubai. After

transfers to inner reserves the Bank declared a profit for the first year of Dh. 20,510,000 (U.S. \$5,286,000).

Shareholders:

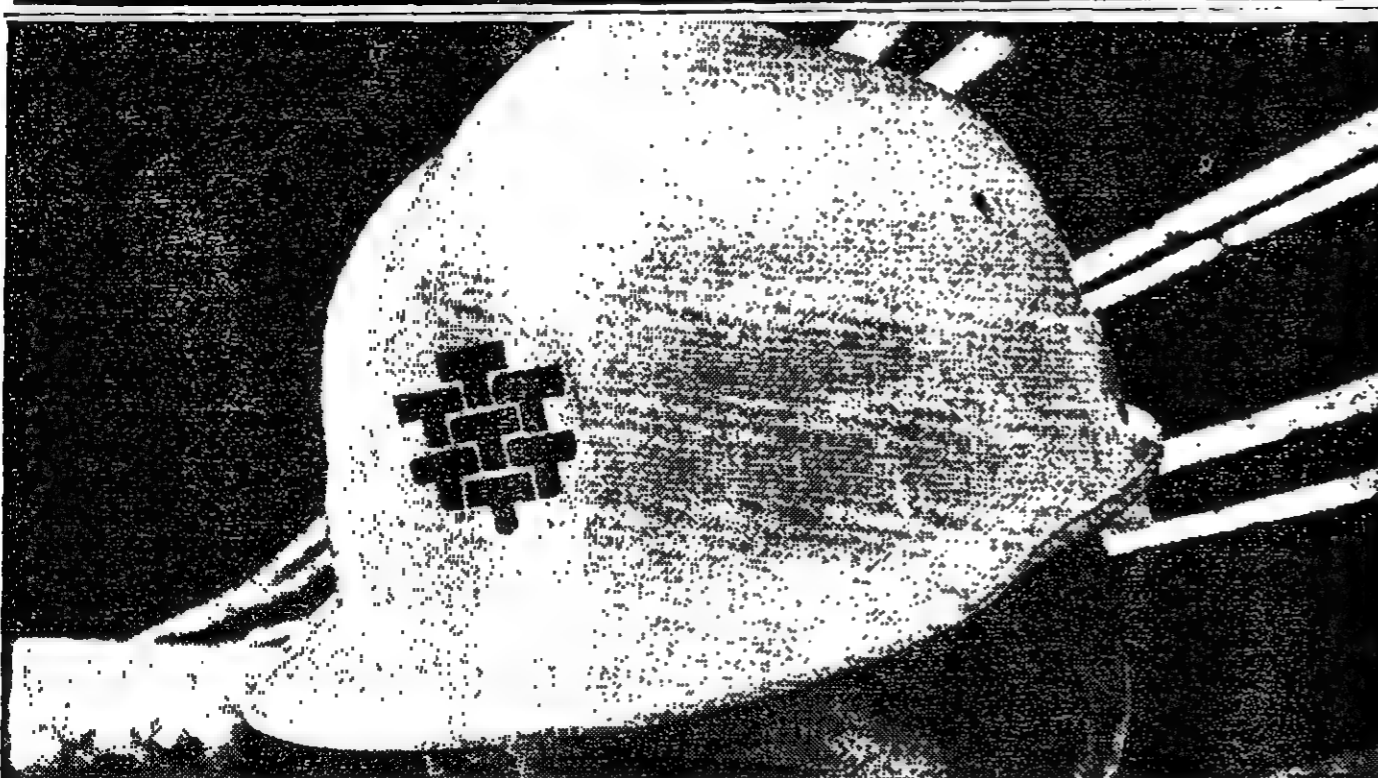
The major shareholders of the Bank are Abdul Wahab Bin Ebrahim Galadari, Abdulla Hassan Rostamani, and Saudi Arab Finance Corporation S.A. In addition, there are approximately 130 other shareholders drawn from the U.A.E. merchant community.

Share Capital:

The authorised capital of the Bank is U.A.E. Dirhams 500 million (U.S. \$129 million) of which U.A.E. Dirhams 159.2 million (U.S. \$41 million) has been subscribed, issued and fully paid up. The Bank's capital is one of the largest in the Arab world.

Registered Office:

P.O. Box 2923, Dubai, United Arab Emirates
Telephone: 435545 Telex: 6425 UNIDUB (General) 6426 UNIFEX DB (Dealers)
Telegrams: UNIONBANK, DUBAI



How to build a tunnel under the Suez Canal, a harbour in Aqaba, power stations in Oman, an office complex in Saudi Arabia and a quarry in Malaysia.

We are currently working on, or have completed, all these projects. Which gives you an idea of our experience and specialist skills in all types of building and civil engineering.

Tarmac
INTERNATIONAL

Big in World Construction.

TARMAC INTERNATIONAL, INTERNATIONAL HOUSE, 62-72 CHILTERN STREET, LONDON W1M 2EL.
TELEPHONE 01-486 4444. TELEX 23713. OFFICES IN OMAN, BAHRAIN, U.A.E., EGYPT & SAUDI ARABIA.

UNITED ARAB EMIRATES IV

GAS

A mixed blessing

THIS AUTUMN deep test drilling for gas will start under or near the Umm Shaif oil-field off the coast of Abu Dhabi. The test wells are likely to go down to 13,000 feet or so, into the Khuff zone which has been so generous with its gas reserves for the neighbouring States of Qatar and Bahrain. Last autumn the first exports of gas by Abu Dhabi left its shores in the Emirates' own tankers for Tokyo. And in the last week of May the official announcement was made in Abu Dhabi of the formation of Gasco, which will gather and process Abu Dhabi's onshore associated gas.

The best use of gas reserves is an important question in the UAE. Dubai is going ahead with its plans to use its gas to fuel a desalination and aluminium plant at Jebel Ali and export the liquefied residue. Abu Dhabi has contemplated gas-fuelled industries at Ruwais but has so far chosen to export the processed gas directly.

Abu Dhabi's first project to exploit its gas assets was born in 1973, but it only started producing four years later. The Abu Dhabi Gas Liquefaction Company was incorporated in 1973 with the Abu Dhabi National Oil Company (51 per cent), British Petroleum (16.33 per cent), Compagnie Francaise des Petroles (8.16), Mitsui (22.05) and Bridgestone (2.45) two Japanese companies as the main shareholders. Its function is to process the associated gas from the offshore Umm Shaif field at a plant on Das Island. The project, while not comparable in size to Algeria's vast liquefaction plants, was nevertheless the first of its kind in the Gulf and as such has suffered teething problems.

Before that, surface cracks were detected on the cryogenic feedlines to one of the liquefaction trains which had led to a cutback in production.

Then in March of this year it was discovered that the outer skin of one of the storage tanks had developed a leak which meant that the plant had to be shut down briefly while the cause was determined and the repairs effected. The storage tank itself is now out of action for a period of up to six months. Although a second tank is being used, the company is having a struggle to maintain production at 60 per cent of capacity.

In December last year the Dubai gas processing company Dugas signed a contract with the small Emirate of Umm al-Quwain to process its gas reserves, which are associated with the small oil-field some 15 miles away from Sharjah's offshore Mubarak field. Under this agreement Dugas is to spend just under \$40m on developing Umm al-Quwain's offshore gas field, which may supply the company with around 60m cubic feet a day of gas. It was hoped that production from Umm al-Quwain would start early next year. A submarine pipeline will carry Umm al-Quwain's gas to its town where some of it will be used in a power plant and other industries, and another to Jebel Ali.

The agreement is subject to a final test of the field's reserves. The Emirate has also had preliminary talks on bringing gas from a find in Oman south of Buraimi to Dubai. The find by

other Arab countries took 37.5 per cent and non-Arab Asian countries 14.3 per cent.

As for sector priorities the Fund is notable for the fact that, unlike some of the other Arab aid-giving institutions, it lends a large proportion of its money to industrial projects—about 45 per cent to date. This is partly because infrastructure projects are often financed by the UAE Government and to some extent the Fund and the Government can combine to make a package. An equal proportion of the Fund's resources are committed to infrastructure—mainly power supplies and transport—and the relatively small amount of less than 9 per cent to agricultural projects.

Whereas much of the money disbursed by the Government directly is in practice if not in theory on grant terms, the Fund naturally has strict rules on repayment terms—and if these are not, particularly onerous they are likely to be enforced.

Interest rates range from three to five per cent normally, maturities from 12 to 23.5 years, and grace periods from 1.5 to eight years. The Fund's terms are decided on the basis of what sort of project is being financed, rather than on how poor a country is. Infrastructure loans usually carry the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

At present only contracts for Stage 1 of the project have been let (Stage 2 would involve the rejection of the gas to enrich it as well as to maintain pressure in the oil wells) and no major work has yet taken place beyond site clearance. It is still intended off-licence the softest terms, industry loans the stiffest.

AID

CONTINUED FROM PREVIOUS PAGE

In practice aid disbursements out of Abu Dhabi's income may well stabilise at around the present level simply because the Emirate's other financial commitments are rising. The actual disbursements rose from Dh 2.1bn in 1974 to Dh 3.8bn in 1975, Dh 3.9bn in 1976 and Dh 4.2bn in 1977, and are likely to be around the Dh 4bn level this year.

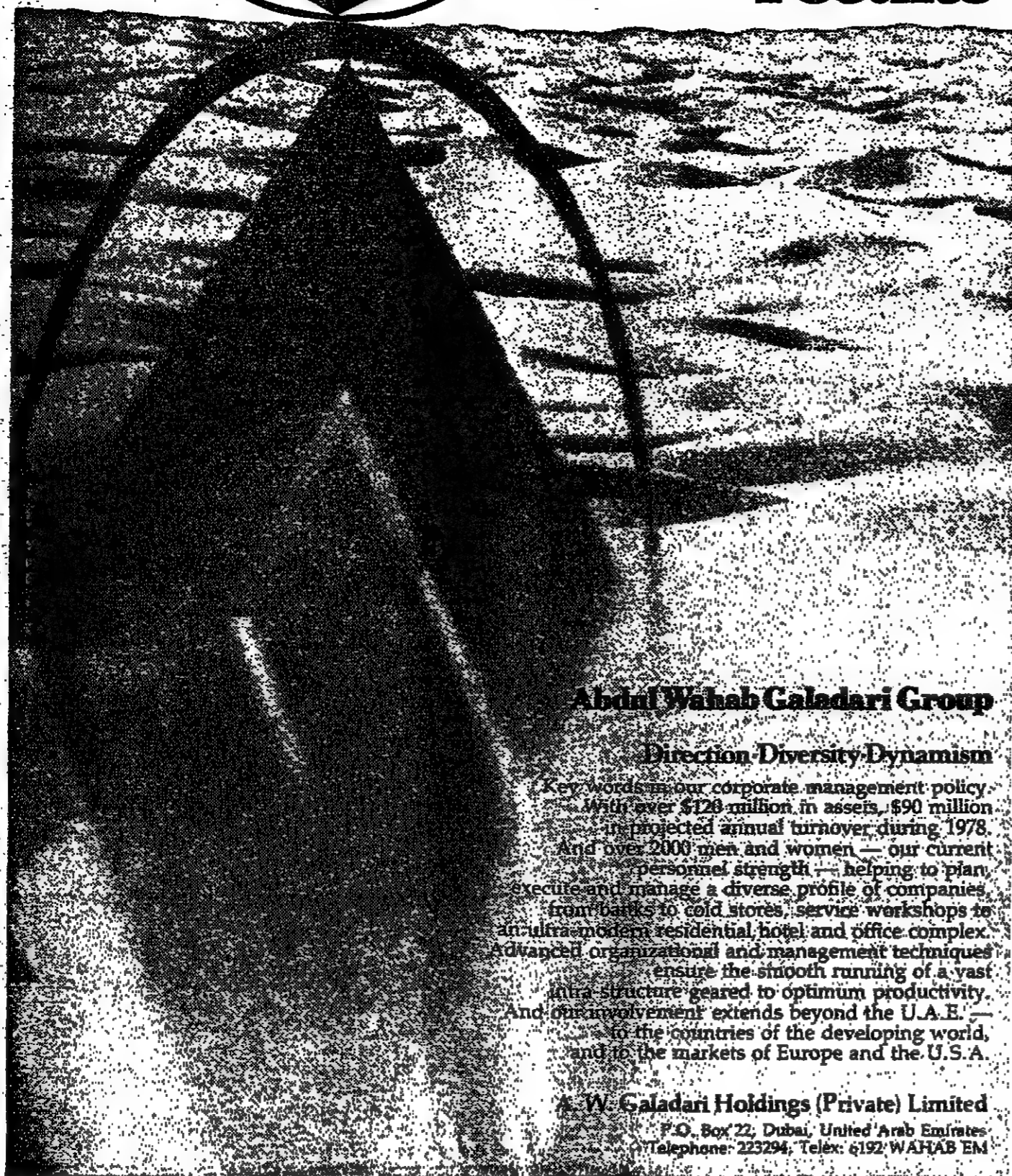
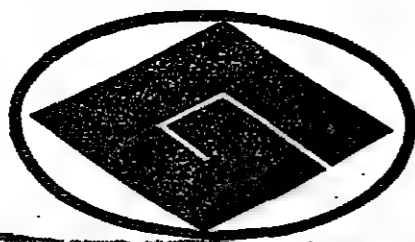
But with rising project implementation under the federal budget and the still growing spending (for the moment) on Abu Dhabi itself, combined with the current drop in oil revenue, the Emirate's surplus is fast dwindling. There is likely to be greater pressure within Abu Dhabi for the Abu Dhabi Investment Authority, which handles the Emirate's "pension fund," to continue to have its capital increased, if necessary at the expense of aid.

Since the UAE's place in the world is fairly well assured there should be few reservations on this score from reducing aid disbursements; the problem is likely to lie actually in cutting out specific beneficiaries, especially on an inflationary age. Some 75 per cent of Abu Dhabi's aid is believed to go to the front-line Arab States—Egypt, Syria and Jordan (with assistance too to the Palestine Liberation Organisation). This is an item which could prove hard to scale down—indeed Abu Dhabi may shortly find itself being asked to make a further contribution to the Gulf Organisation for the Development of Egypt (GODE), almost continual contact between the Arab aid funds, with capital of \$3bn is paid by the UAE. And though the major outflow of funds to the variety of inter-Arab companies which have been set up since the 1973-1974 oil price rise is over, they could well be back asking for more capital which it could prove difficult to refuse.

Other aid commitments handled through the Finance Department and under the supervision of the Ministry of Foreign Affairs include such items as paying for a road in Sudan, and supporting projects in Oman, North and South

AVIS **إفيس**
Rent a Car
ABU DHABI
Tel: 23760/1 Tlx: 2669
DUBAI
Tel: 665345/6 Tlx: 5594
FUJEIRAH
Tel: 571 Tlx: 9018

...turning
resources
into
results



Abdul Wahab Galadari Group

Direction Diversity Dynamism

Key words in our corporate management policy — with over \$120 million in assets, \$90 million in projected annual turnover during 1978, and over 2000 men and women — our current personnel strength — helping to plan, execute and manage a diverse profile of companies, from banks to cold stores, service workshops to an ultra-modern residential hotel and office complex. Advanced organizational and management techniques ensure the smooth running of a vast infrastructure geared to optimum productivity. And our involvement extends beyond the U.A.E. — to the countries of the developing world, and to the markets of Europe and the U.S.A.

W. Galadari Holdings (Private) Limited

P.O. Box 22, Dubai, United Arab Emirates
Telephone: 223294, Telex: 6192 WAHAB EM

The British Bank of the Middle East

A Member of the Hongkong Bank Group

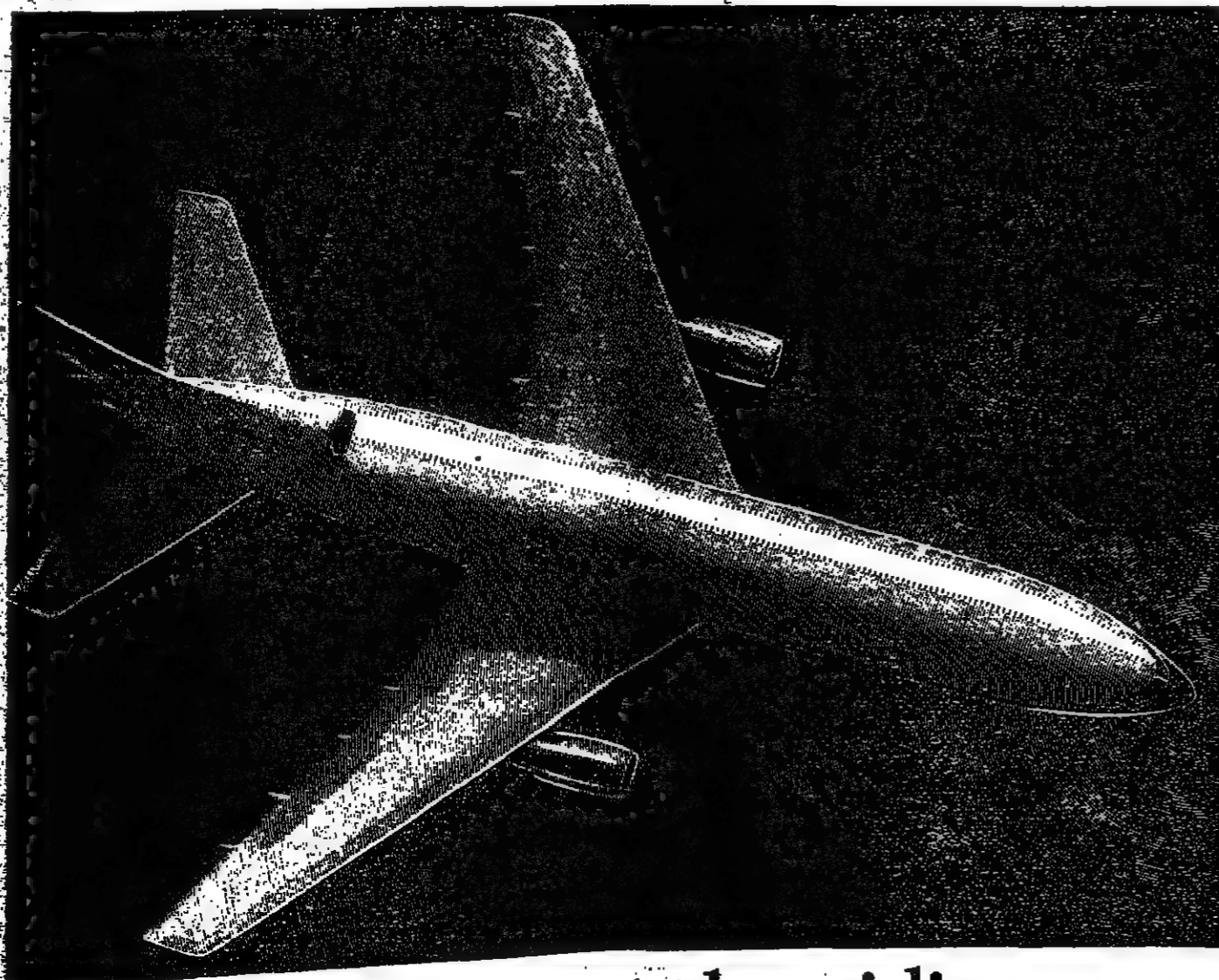
United Kingdom
Near & Middle East
India
Switzerland

Branches throughout the
UNITED ARAB EMIRATES

Abu Dhabi • Ajman • Dubai
Fujairah • Ras al Khaimah
Sharjah • Umm al Quwain

Head Office & London Main Office
99 Bishopsgate
London EC2P 2LA
Telephone: 01-638 2366
Telex: 884293

and at
Falcon House, Curzon Street
London W1Y 8AA
Telephone: 01-493 8331 Telex: 27544

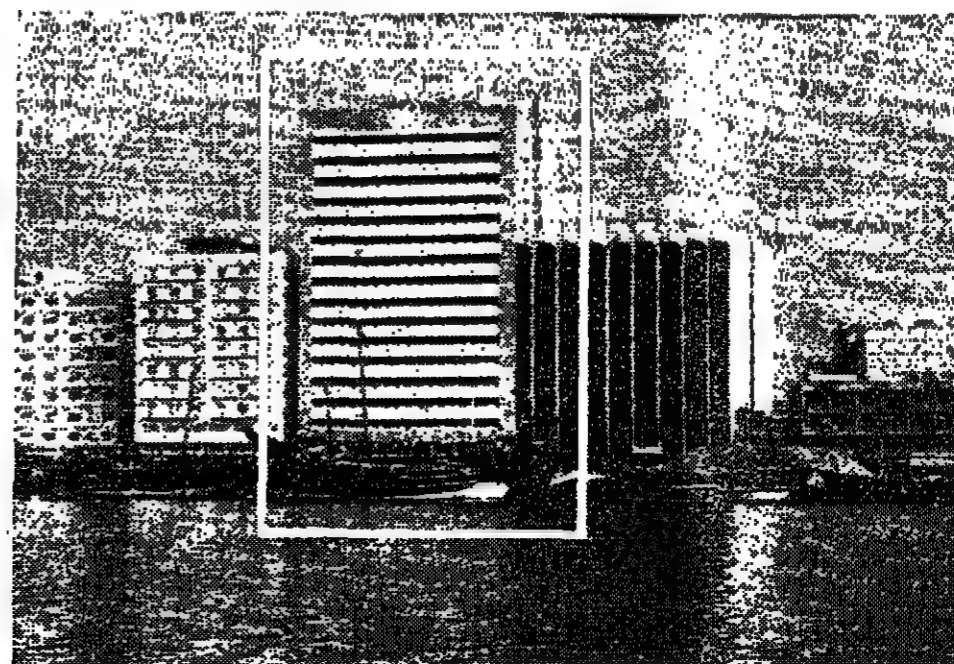


It's a fact...no other airline
offers businessmen so wide a range
of services in the Gulf

Being the national carrier of four Gulf States makes it easier for us to offer the most comprehensive and convenient timetable of direct flights to the most important cities of the Gulf — no less than 16 departures from London Heathrow each week, all in the spacious comfort of our TriStars. What's more, we operate regional and domestic air services linking all the major trading centres in the area and are intimately involved in the development of hotel and travel services. Add to all these facts the five-star quality of Golden Falcon service, and you'll appreciate why more discerning travellers choose to fly by Gulf Air.

GULF AIR ★★★★★ **مَكْذَا مِنْ الْأَصْلِ**
Corner of Piccadilly & Berkeley St., London W1V 9HF. Reservations: Tel: 01-409 1951. Telex: 28591 A/B GFRES G.
Birmingham, 021-632 5931. Manchester, 061-632 9677. Glasgow, 041-248 6381 or contact your local Travel Agent.
London/Gulf/London services operated in association with British Airways.

Dubai Pearl Deira Dubai



Centrally air conditioned
office building on 17 floors
comprising 138,220 sq ft net approx.

To be let

Mezzanine floor let to Barclays Bank International

For further details apply to
Debenham Tewson & Chinnocks

Chartered Surveyors International Real Estate Consultants
Dubai
P.O. Box 4897
Deira
Dubai U.A.E.
Tel: 282405
Telex 6484
Bahrain
P.O. Box 5084
Pearl of Bahrain Building
Government Road Manama
Tel: 52237
Telex 8434
London
44-46 Brock Street
London W1Y 1XB
Tel: 01-408 1161
Telex 22105

City of London Brussels Hamburg Toronto New York Sydney



BANK MELLI IRAN

The largest commercial bank in Iran

Head Office: Ferdowsi Avenue, Tehran
Telephone: 3231 (60 lines) Telex No. 212481 & 212580
Cable Address: Bankmelli. For International Dept.: Intmelli
International Dept. Telex No. 213480.

Capital and Reserves:	Rials*	21,996,000,000
Total Deposits:	"	597,580,746,486
Total Assets:	"	777,172,889,638

(as at December 21, 1977)

Bank Melli Iran handles all commercial banking transactions through a close network of over 1800 branches at home, together with 32 offices abroad, and its connections with leading banks all over the world.

For further information please contact our International Department in Tehran or any of our branches listed below:

ABU DHABI: Regional Office and Abu Dhabi Branch 16, Sheikh Khalifa St., P.O.B. 2656, Abu Dhabi	Phone: 43461 Telex: AH 2400
DUBAI: Main Branch, P.O.B. 1894, Deira, Dubai	Phone: 282171-9 Telex: EM 5476
SHARJAH: Sharjah Main Branch, P.O.B. 459, Sharjah	Phone: 22510 Telex: EM 8461
FUJAIRAH: Fujairah Branch, P.O.B. 248	Phone: 22551 Telex: FU 9014
KHORFAKKAN: Khorfakkan Branch, P.O.B. 3156	Phone: 85533-4 Telex: EM 9030
BAHRAIN: Main Branch, P.O.B. 785, Manama, Bahrain	Phone: 58910 Telex: GJ 8266
SULTANATE OF OMAN: Muscat Main Branch, P.O.B. 410, Muscat	Phone: 722646 Telex: MB 3295

Also Offices in London, Hamburg, Frankfurt, Munich, Paris, New York, San Francisco, Tokyo, Hong Kong, Jeddah, Cairo.

* 1 US\$ = Rials 70.35

Sharjah Shipyard & Engineering Works Company Ltd.

A newly formed Company with International Management and a highly skilled labour force which is able to offer you the following services:—

- ★ a Diesel Engine Rebuild Centre with fuel pump and injector calibration equipment, engine testing facilities up to 1500 HP able to cope with many types of engines.
- ★ a Heavy Equipment Section where repairs can be carried out to a large variety of on and off the road plant and machinery.
- ★ a Marine Section for repairs to vessels and offshore drilling platforms.
- ★ a Fabrication Division using the most modern techniques and equipment.
- ★ a Machining Division which is well equipped and thus able to offer high precision machining services to all industries.
- ★ an Inspection Services Division able to meet your every need, be it oil field or general equipment.

P.O. Box 6026,
Sharjah,
U.A.E.



Telex: 8362 SNEW-SH
Tel: 357813/4

Gulf Automation Services and Oilfield Supplies (GASOS) of Abu Dhabi in partnership with GEC Gas Turbine Services Limited announce the formation of their new Company.



GULF INDUSTRIAL SERVICES COMPANY

TEL. ABU DHABI 26732 or 22180
TELEX: ABU DHABI 2801

TEL. LEICESTER (ENGLAND) 863434 Ext. 234.
TELEX: UK 34331

If you are a utility, if you are in the oil and gas industries and if you operate gas turbines, steam turbines, diesels, compressors, pumps, generators or motors or any of the plant allied to such equipment then we can help you to maintain it. Our services are available throughout the United Arab Emirates and will be supported by facilities for all forms of site work through maintenance schemes and the supply of staff.

Workshops will be available in the new industrial site in Abu Dhabi and will include well equipped machine shops and maintenance areas.

UNITED ARAB EMIRATES VI



The National Cement Company of Dubai works, the largest on the Gulf, was built by Costain International. The first test firing took place last month.

INDUSTRY

Lack of planning

INDUSTRY in the United Arab Emirates is developing fast but not along the lines intended by the Federal Government. Large capital investment is going into industry in the different member states but there is no co-ordination, no planning and widespread duplication of projects. Nor is there much sign of a change in this trend.

The Federal Government has not itself started any industries (although the Ministry of Finance and Industry was set up in 1973) and seems to have little influence over the numerous bodies which are involved in actually setting up factories. This is unfortunate, because there is an increasing awareness in Abu Dhabi, the federal capital, of the pitfalls of industrialisation. The federal government wants to hold back on activity while efforts are made to reassess the value and consequences of the UAE becoming an industrial state.

Recently Sheikh Hamdan bin Rashid al Maktoum, the federal Minister of Finance and Industry and son of Sheikh Rashid of Dubai, publicly criticised industrialisation policies in the Gulf. "Believe me," he said, "all our industrial projects in the Gulf are running at an annual loss of not less than 10-15 per cent of their capital for a number of reasons. For whom are we squandering our money on unscrutinised projects? Is it only to prove to others that we are industrialising?" But the Ministry of Planning has not yet developed the teeth to stop individual Emirates doing what they choose, and the trend of locally and regionally uncoordinated investment continues. It seems unlikely to alter until the federation matures politically, and in the meantime there is a danger that industrialisation may take a course which could damage the UAE economically and socially.

Strongest

Even in Abu Dhabi, where advocacy of coordinated federal planning is at its strongest, two bodies have responsibility for industrial planning and investment — the Department of Petroleum and Industry and the Abu Dhabi National Oil Company (ADNOC) — and these operate independently of two federal bodies, the Ministry of Planning and the UAE Development Bank, which was never very effective and has now become virtually moribund.

In the other Emirates industries have often developed at the whim of rulers and advisers, sometimes with startlingly little consideration for even the most basic economic rules like an examination of markets. Throughout the UAE a proliferation of smaller factories and workshops, often linked with the building boom, are developing on the initiative of individuals who have until now been unhampered by any policy or even legal guidelines. The Ministry of Planning records show that 17 major new industrial projects have gone into production in the last two years. These have cost \$1.7bn, including a huge chunk of \$800m for the gas liquefaction plant on Das island.

After the gas plant the biggest investments have been the cement plants in Abu Dhabi, Ras al Khaimah and Sharjah, with the new Dubai's shortly to come on-stream. Of those in operation only Ras al Khaimah has concentrated on producing sulphur-resistant cement which is necessary in construction in humid saline conditions. (Abu Dhabi

VALUE OF PRODUCTION OF UAE MANUFACTURING INDUSTRIES (Dhs m)

	1972	1973	1974	1975	1976	1977
Food industries	100	131	181	232	258	344
Paper industries	3	10	12	16	20	25
Press and printing	30	40	65	90	115	180
Wood furniture	30	50	70	90	110	180
Petrochemicals and chemicals	30	40	60	75	100	150
Basic minerals	30	35	45	55	65	70
Mineral products	41	55	70	85	100	150
Non-mineral products	30	80	100	120	150	200
Engineering	30	45	60	80	100	150
Others	31	64	78	100	127	155
Total value	280	550	741	940	1,100	1,350
Added value	190	230	310	390	425	520

Source: Ministry of Planning

spends time and vast sums of money trying to prevent erosion of roadside kerbstones by applying protective paints, though with little success.

Though cement production capacity within the UAE is still short of local demand, this may no longer be the case when the building boom finally dies down. Yet plans are still being formulated for more cement plants — recently Ras al Khaimah announced that Kuwait would finance a 500,000 tons plant, justified by the Emirate on the ground that the entire output was destined for export to Kuwait — while in each Emirate private businessmen continue to plan tile factories, marble work shops, stone factories and aluminium extrusion plants with no regard for duplication elsewhere in the federation and as though the construction boom will continue forever. Pointers to the lack of planning can be found in the recent closure of Ras al Khaimah's fish meal factory.

Dubai is almost in a different class in the scale of the industrialisation that it envisages, and it could be argued that those plants now being built at Jebel Ali are finely calculated to meet the needs of the market in other Gulf states, or, like the aluminium smelter, the world market.

The Jebel Ali project is the largest of its kind conceived in the Third World, a fact brought home by a drive from Dubai to Abu Dhabi where the road passes mile after mile of earth-moving and construction during the simultaneous building of the huge harbour, gas liquefaction plant, the aluminium smelter, and power station.

The aluminium plant will be the hub of the industrial complex. It will take feedstock gas from a number of different sources (including Umm al Qaiwain and possibly Oman), generating power from gas turbines with an installed capacity of 525 MW, enough to produce 25m gallons a day of water from the desalination units (the smelter will need 500,000 gallons a day), with power left over for other industrial and domestic requirements in Jebel Ali and Dubai. Some observers believe the desalination output will be as important in economic terms as production of metal, since the water will form an integral part of the infrastructure of the entire complex.

The creation of Dubai Aluminium (Dubai) has already caused controversy in the region, and news of Sheikh Rashid's plans for an aluminium smelter were greeted with alarm in Bahrain, which built the first smelter in the area. The new smelter's profitability was immediately questioned, particularly when it was learned that the first estimates of the smelter's cost were more than \$900m. Dubai is owned 80 per cent by the Dubai Government, with

holdings by Southwestern Corporation of the U.S. (7.5 per cent), Nishio Iwai of Japan (7.5 per cent) and local interests (5 per cent). The main contractor is British Smelter Constructors, an association of George Wimpey and Selection Trust, a U.K. Finance group. The desalination contract has gone to Weir Westgarth of the U.K. and a West German consortium under Klockner, Hamboldt, Deutz (and including Krupp, Ferrosol and the Reichsmann companies) is doing the carbon plant, Alcoa of Australia already has a contract with Dubai to supply 200,000 tons of alumina (which will make 100,000 tons of metal), and Dubai may buy the remaining alumina on spot (the capacity of the smelter is 135,000 tons). Water from desalination units will be produced at the end of 1978, the first metal is due to be produced late in 1979 with production start up due in the second quarter of 1981.

Ian Livingstone, former head of Bahrain's aluminium plant, is now managing director of Dubai. He believes that, although further finance will be required, Dubai will eventually make money. He stresses the importance of the water production. The output has been pre-sold to Alcan and Southwire, which will buy all the metal produced. The Government of Dubai can reserve and take 20 per cent of production if it wishes. Asked about the profitability of so expensive a project, he said: "It is not just the investment in for water production. With petrodollar surpluses and oil states with economies to build you cannot necessarily judge the economics of projects in the traditional way. The conventional wisdom of industrial investment has broken down."

Aims

One of the aims of the Dubai Government's investment in Jebel Ali is to attract private industry. The hope is that the 74 berth port will draw in industrial manufacturers who will be able to import goods freely through the port and develop re-export industries, using low cost labour. The British company Cleveland Bridge and Engineering has already established a joint venture with Abdel Wahab Galsadri, a local businessman, which is already producing structural steel. The factory has just opened formally but it has been producing structures for a number of projects, including the aluminium smelter, since February this year. It is a small factory (total investment Dr. 20m) with a capacity of 1,000 tons a month based for the moment on raw steel imported from Europe to Dubai. The company already has orders to cover the first six months of full pro-

duction from Saudi Arabia and Egypt, apart from local orders. BICC is currently constructing a factory at Jebel Ali for cable manufacture. This is a joint venture in which the Dubai Government has 50 per cent and the British company 40 per cent. The company plans to avoid commitments to the aluminium smelter for the moment and will probably import copper for its production. The venture is regarded by BICC as an excellent promoter of general sales in the region, though it accepts that the market will be confined to the UAE, Bahrain and Qatar because potential markets like Iran, Pakistan and Iraq have their own sources of supply.

An aluminium-extrusion plant has just been completed, and Tube Investments is considering a factory for aluminium and steel manufacture.

While Dubai has been pushing ahead firmly with plans to become an industrial state, Abu Dhabi has scaled down its own plans for the industrial complex at Ruwais, aware of the dangers of regional duplication and the creation of unprofitable plants, but with the implications of a city largely inhabited by immigrants the chief of its concerns. "Originally Ruwais was to have had a gas liquefaction plant, an export refinery, a urea/ammonia plant, an ethylene cracker and an iron and steel plant. Now it looks likely to be confined for the time being at least to the export refinery and the gas plant, work on both of which is expected to begin fairly shortly."

Persuasive

Mr. Saad Ghobash, Federal Minister of Planning, believes that the country is the victim of the persuasive sales patter of advisers and foreign consultants, in whose hands the Emirates have been and will remain as long as the local population stays unskilled and inexperienced. He said in an interview: "In the past there was no clear policy. We started without plans. There was no monetary policy, not even basic laws of trade in the past four years. This was responsible for the situation."

"I believe in free enterprise but I do think one should have controls. We are an under-populated country and I don't think we should industrialise into labour-intensive projects. Examining the Gulf we see similar circumstances. We particularly should come to some kind of co-operation on petrochemical development. We must create some kind of integration, which will not require major labour and will supply the local market."

As part of its evaluation the Federal Government is concluding surveys of mineral resources, water, industries (with UNIDO) and manpower (with the World Bank). There is greater awareness than a year ago of the need for regional co-operation. Saudi Arabia has abandoned plans for its aluminium smelter, Abu Dhabi has dropped its fertiliser factory. The regional aspect is now recognised as important, but industrial integration in the Gulf cannot be dealt with until there is internal co-ordination within the UAE. This depends on greater political integration and until this occurs there seems little prospect of an end to unplanned and uncoordinated industrial development.

Michael Tingay

INFRASTRUCTURE

Building from the bottom

DESPITE THE size of its oil exports, the economy of the UAE is small. The state is a developing model of a country built from the bottom upwards—and the visitor can see exactly what is going on above, below and all around.

The process is easy to define and examine. First one must see the physical infrastructure—roads, water, electricity; then the social infrastructure—housing, hospitals, schools; finally develop the human infrastructure—educate the people who will administer the social-economic structure that has been built.

In the UAE political circumstances affect the process. The model is marred by physical infrastructure often of unsuitable scale and by unnecessary duplication largely because the federation is not yet a unified entity. Absence of effective central planning means that Emirates may not know or care what their fellows are doing. Inter-Emirate rivalry often spurs rulers to vie for the most prestigious project. In some cases rulers are unwilling to rely on the federal Government for a service which might give "an outsider" a hold over them.

Development of human infrastructure is the most important phase, hence the Government's stress on education as its first priority. It is also the most complex. The advent of money sent UAE society from nomads to cars overnight. Education may well transform nomads and villagers into people unsuited and unwilling to be the humble functionaries of the economy. Much of the economy's value added and what might be called the "social value added" will always be provided by foreigners since education will not alter the local population's minority status. Universities may create a nation of assistant deputy under-secretaries.

Completion or virtual completion of the road system is the single greatest physical achievement in the UAE. The network, to which finishing touches are still being put, has already had the most profound effect on the lives of nomads, farmers and fishermen. The isolated oasis dwellers are now linked socially and economically to the towns. Al Ain, once an isolated group of oases, now has a university and has become a stopping point for traffic en route between Dubai or Abu Dhabi and Oman. Development of the road system permits the development of an industrial complex like Ruwais, which itself will have a profound effect on economy and society. An Emirate like Ras al Khaimah, which has had an existence economically and socially independent from the other Emirates for hundreds of years, and was first linked by road to the outside world ten

years ago, is now only an hour or two away from the main population centres. It quickly became chief supplier of farm produce to the rest of UAE. A town like Dibba, located in the north-easternmost point of the UAE, will benefit from 20th century amenities for the first time because Fujairah's road network has been completed. Without the road network consideration could not have even been cast at a plan suggested for federal water supply involving a huge desalination plant at Dibba.

Water supply is the most critical element of infrastructure development after the road network. The UAE has no co-ordinated water policy and has not completed a federal water survey. The Federal Government has not begun to come to terms with the water supply problem. Planners have recognised that the developed society will require more water than the finite supplies available, but not Emirate is yet willing to risk dependency on a federal water grid. One hydrologist said: "It is hard to convince different Emirates that they are drinking from the same tap."

Fertile

Most water is drawn by wells from a central aquifer running north from Al Ain as far as the fertile Diddaga area in Ras al Khaimah. The UN Economic Commission for West Asia estimated that the underground reservoir holds between 160 and 270m cubic metres. Two years ago consumption had reached 164m cubic metres a year, according to qualified estimates. Aquifer replenishment is estimated at 100m cubic metres a year.

Just as in the cities there is little control mechanism to prevent property speculation, so the Ministry of Agriculture and Fisheries cannot prevent individuals from drilling wells where they choose. Indeed it is bound to supply water to any citizen who applies for land, something which the Government is encouraging—the Bedouin nomads to do. The result is a rising water table of increasing salinity, which is spreading inland from the west coast. Farmers have noted salt content of up to 8,000 parts per million in badly affected areas. (The maximum acceptable salinity for irrigation is 3,000 ppm.) To minimise wastage the Government has introduced the use of sprinkler systems at farms like Diddaga and is experimenting with drip and trickle irrigation, which can cut wastage by up to 75 per cent.

Unlike Saudi Arabia, towns in the UAE could be wholly supplied by desalinated water. Urban populations are small in an absolute sense. Abu Dhabi, which used to take most of its water by pipeline from the wells of Al Ain, is now dependent on desalinated water. The UAE has the money to buy power and



The new Dubai Municipality building, currently under construction.

desalination units on a large scale. But water costs far more supplied in this way and the UAE will have to ensure that its income for the post-oil period is large enough to use this source in the long term. Dubai is a good example of the manageable size of urban water supply (provided the money remains available). By the end of 1978 Dubai will need 23m gallons of water a day. This will be near the limits of production of well-water, which currently produce 13m gpd. But the desalination unit at Jebel Ali (whose first customer will be the aluminium smelter) will have a capacity of 23m gpd, most of which will go to fill the gap in Dubai's domestic needs.

What the UAE will probably discover, as plans for power and desalination stations go on stream, is that adequate urban water will be available but the reticulation system in the towns will be overstrained. The U.S. Bureau of Reclamation has been studying water supply for the Federal Government and has recommended that two dams be built in the northern mountains at Wadi Bih in Ras al Khaimah and Wadi Han in Fujairah. This would temporarily prevent huge water losses through flash floods. If northern dams and the suggested Dibba desalination programme are ever implemented the administration will still be left with two problems—the unwillingness of the rulers to depend on federal supplies and the inability of the urban reticulation system to handle water pressures from a national grid.

The problem of electricity distribution is no easier. Each Emirate is developing power generation capacity with insufficient thought for the distribution network and less consideration of a national grid system. Until a national grid is developed, resources will be wasted by duplication of stations. Sharjah, the Emirate most conscious of the need for urban planning and one of the few which bothered to lay drains, water and electricity supply before constructing city blocks, is hampered, now it has enough generating capacity, by the absence of an adequate distribution network.

Destruction

Implicit in the development of the UAE is the destruction of the nomadic way of life. Planners see the social change as a fair price to be paid for the greater economic and social benefits of housing, health and education. The target of housing schemes by the federal Government and individual Emirates is 7,500 homes a year. The UAE federal budget includes provision for 2,500 low-cost homes in Abu Dhabi's Al Ain and 2,000 low-cost homes (the term is strictly relative) in the poor Emirates. However, in Fujairah for example, where the majority of the rural population is not nomadic but settled in farming or fishing villages, the carefully designed prefabricated single-storey houses have been rejected. The people find their own designs and life-style preferable to the electric-powered air-conditioning units supplied by the Government. Those that do opt for the modern life prefer to migrate to the cities. Nomadic bedouins have even less incentive to settle. Some even by-pass the system by accepting housing and farm land allocated but leave it to be tended by imported foreign managers and labourers. Each of the Emirates has suffered from unco-ordinated construction of apartments, offices and showrooms. Local chauvinism and the intoxication of the boom meant that Emirate governments did not see the relationship between nationwide construction and the development of buildings in their own Emirate. The UAE does not even have a system to monitor let alone control or prevent individuals from building. The result is well known. Abu Dhabi, Dubai and Sharjah are

While port development is a partial consequence of the notorious port congestion in the early days of the boom, development of airports is more closely connected to Emirate prestige and rivalry. A small country with good roads does not need four airports, let alone the seven or so which could eventually be built. The ultimate in oneupmanship is Ras al Khaimah's earth satellite station, which connects that Emirate's few hundred telephone subscribers to New York while they cannot dial direct to other parts of the UAE.

Escalate

The third reason for infrastructural duplication, fear of becoming dependent on a neighbour for services, has been dealt with in discussion of water and electricity supplies. It is generally agreed that until this hurdle is overcome federal Government will not be able to impose comprehensive planning on the country. It is also probable that the rulers will resist federal control of water and power supplies longer and harder than even the total unification of the armed forces.

When the physical and social infrastructure of the UAE model is completed the human infrastructure will still be under construction. Social problems with significant implications for the system have already been encountered at village level. In the country, once isolated villages now linked by roads provide schooling for the youngsters. Parents are given grants to persuade

them to leave children in school beyond the age of 11, though the drop out rate remains high. Those who do stay on leave school with certificates and aspirations to match. The children learn by repetition and rote—what one teacher calls "the Egyptian shouting method" (a reference to the number of Egyptian teachers). They go to the towns with inflated ambitions, anxious for fast promotion to be boss, mayor or cabinet minister. In their judgement jobs like trading or driving a taxi are for the illiterate, and manual work something worse.

At worst this will become a potential cause of instability. At best the UAE will have changed from a society run for a minority of locals by a majority of foreigners into one run by a native elite controlling a huge foreign workforce. Neither creates the prospect of a well balanced society, but the surplus revenue oil state is a new phenomenon in the world, and it is difficult to predict its future.

Michael Tingay



EMIRATES
MOTOR
COMPANY

General Agent for
DAIMLER BENZ A.G.

Sales, Service and Parts for
Mercedes cars, trucks, buses
and Unimogs

P.O. Box 6300, Abu Dhabi
Telex: 2849 (MERCEDE) AH
Tel: 77363



AL
JALLAF
TRADING

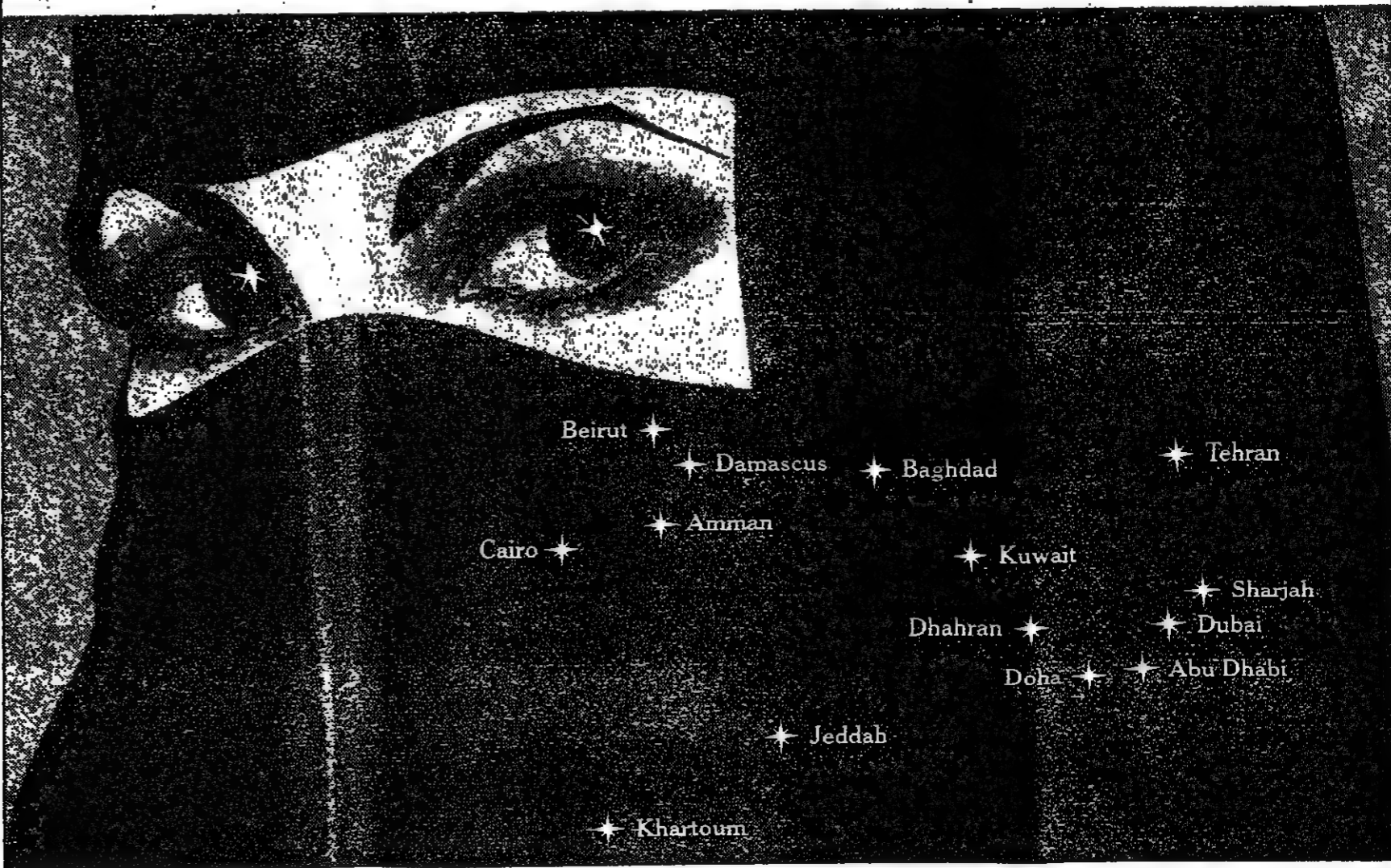
Agents for:—

- Michelin Tyres
- Bosch Spare Parts and Batteries
- Bosch Workshop Equipment
- Behr Truck and Car A/C Units
- Blaupunkt Radios
- Petter Diesel Engines
- SES Generators
- Rovati Pumps
- BICC Cables
- Rothmans Cigarettes

P.O. Box 6193, Abu Dhabi
Tel: 26585-44206
Telex: 3220 JALLAF AH

Branches in Al Ain
Dubai
Sharjah

Regardez l'Est



Beirut ★ Damascus ★ Baghdad ★ Tehran
Cairo ★ Amman ★ Kuwait ★ Sharjah
Dhahran ★ Dubai
Doha ★ Abu Dhabi
Jeddah
Khartoum

Look east. To the world's fastest-growing markets. To the oil producers of the Middle East. Air France gives you up to 61 flights a week to 14 important destinations: Abu Dhabi, Amman, Baghdad, Beirut, Cairo, Damascus, Dhahran, Doha, Dubai, Jeddah, Khartoum, Kuwait, Sharjah and Tehran. You fly from Roissy/Charles de Gaulle—the world's most up to date airport. There are excellent connections from London and Manchester.

Fly Air France and you fly in style and comfort. On most of these routes, we give you the peace and quiet of wide-bodied aircraft. And if you're travelling to Baghdad, Beirut, Cairo, Damascus or Jeddah, you'll have the pleasure of the incomparable Airbus.

We're opening several Meridien Hotels in the Middle East, too. Extending our hospitality beyond the in-flight service for which we're renowned. The Meridien Hotels at Cairo, Damascus and Sharjah are already open. Four more will follow very shortly: Abu Dhabi, Baghdad, Jeddah and Kuwait. You can even make your Meridien Hotel booking at the same time as you reserve your flight.

Next time you look east, look no further than Air France. Our flights and timetables are tailored to your business needs.

Ask your Travel Agent or Air France for further details.

AIR FRANCE

The best of France to all the world.

At Your Service

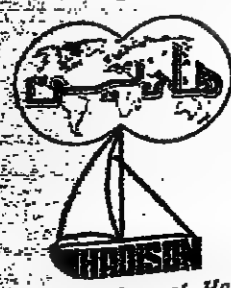
Announcing to all importers that we have established this Company to clear your consignments from Dubai Customs to your door at the most reasonable prices. Our speciality is to provide you with prompt and punctual service.

—Your satisfaction is our motto—

With consider acting as agents for foreign companies

HADISON

CLEARING & FORWARDING AGENCY



P.O. Box 281, Dubai,
United Arab Emirates.

Telex: 6560 HADIS EM.

Tel: 435789, 435790 and 431315

(Member of Hadison Commercial Establishment)

AL-MAJID LOWERY
المجيد لورى

CIVIL ENGINEERING CONTRACTORS
Specialising in:

TELECOMMUNICATIONS
UNDERGROUND DUCTWORK
CABLE & SEWER INSTALLATION

Throughout the MIDDLE EAST

Telephone: DUBAI 285486
Telex: 6469 DB

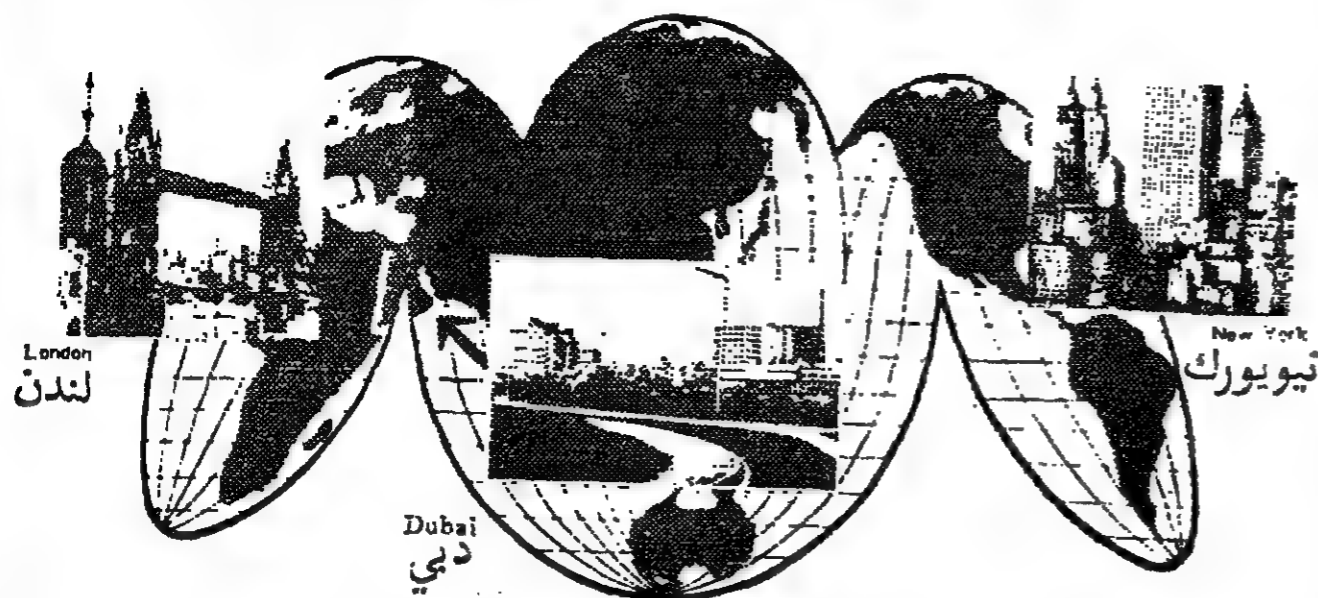
Telephone: 01-573 8326 (London)
Telex: 6813651 G

158 New Bond Street, London W1. Reservations 01-499 9511.
Ticket Office and Passenger Sales Department 01-499 8611. UK Head Office and Administration 01-568 4411.
Manchester Reservations 061-832 7831.

بنك دبي الوطني المحدود

THE NATIONAL BANK OF DUBAI LTD.

Established 1963 under charter granted by His Highness Sheikh Rashid bin Saeed al-Maktoum, Ruler of Dubai and its Dependencies



Authorised Capital Dh. 60,000,000
Paid Up Capital Dh. 45,162,200
Reserves Dh. 86,878,360

خدمات مصرفية كاملة للتعامل مع
دبي والإمارات العربية المتحدة
وجميع البلاد الرئيسية في العالم

A complete banking service for transactions with Dubai and the United Arab Emirates and all principal countries in the world

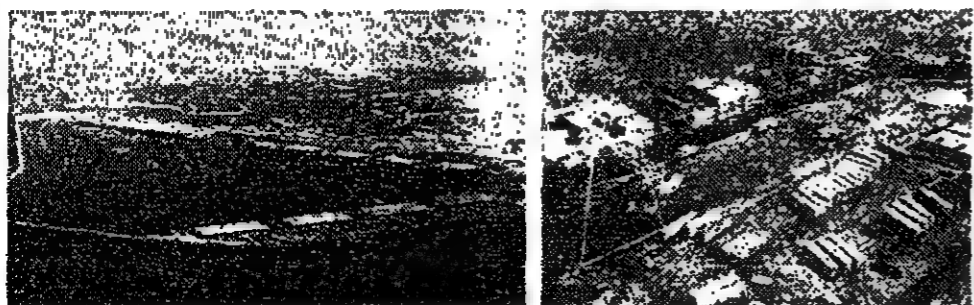
عنوان البريد
صندوق البريد 777 دبي - الإمارات العربية المتحدة
تلفزيون
«ناشيونال» دبي

Head Office:

P.O. Box 777, Dubai, United Arab Emirates.

Cables: "NATIONAL" Dubai

Telex: 5421 NATNAL DB



Port Rashid now has two 35 ton capacity container cranes with comprehensive terminal facilities.

A fully mechanised Port is conveniently located at the entrance to the Gulf, with modern marine and cargo handling facilities rendering excellent despatch to ships and immediately adjacent to a Drydock. Complex presently under construction which will be capable of docking up to 1,000,000 tons deadweight.

Fifteen cargo berths are provided for ocean-going vessels and one oil wharf for discharging and loading petroleum cargoes. Twenty-two additional berths (of which four are now operational for direct delivery cargoes) are being phased into use from early 1977 with the depth of water alongside varying from 11.5 to 13 metres. The first berths of an

entirely new 75-berth Port Complex 15 miles away at Jebel Ali will be operational early 1978.

Economical port dues, handling and transshipment charges to all Ports.

Fresh Water, Bunkers, Bonded, Dry and Fresh Stores and Repairs available.

Enquiries to your Agents at Dubai or direct:

DUBAI PORT SERVICES,

P.O. Box No. 2149, DUBAI, United Arab Emirates

Cables: "PORTRASHID" Telephones: 431091, 433405. Telex: D85425

(Answerback "GRAY")

A member of the Inchcape Group.



PORT RASHID-DUBAI IMPORTANT NEW CONTAINER HANDLING FACILITIES

AT ONE time during 1976 it seemed as though the UAE would have more shipping berths than it had bank branches which, for a chronically overbanked country, would have been quite a feat. However, the business slowdown during 1977, which gradually cleared the congestion at the UAE's ports, also relaxed the pressure on the planners, who had been bemused by a more than 600 per cent increase in the value of imports since 1973. Net imports (that is, imports minus re-exports) into the UAE in 1977 were valued at roughly \$3.5bn, about \$4,000-worth of goods per head of population.

The first of the Emirates to scale down its port development plans was Abu Dhabi, whose port takes in about a third of the Federation's imports. The expansion and contraction of Abu Dhabi's plans more or less followed the economic pattern. Until about three years ago Abu Dhabi was content to plan for a port with 19 berths. Then as demand for goods escalated and port waiting time increased, successive plans for a new outer harbour and increasing the inner harbour's number of berths were put forward, until at one point in 1977 there was talk of Abu Dhabi port having 63 berths. Now it looks as though 19 is once again to be the maximum: the first 16 are finished and the last three nearing completion. In September of last year the outer harbour plan was definitely shelved and the expansion of the inner harbour is no longer a priority.

The main entrepot for the UAE is still Port Rashid in Dubai, although neighbouring Sharjah is mounting an aggressive marketing campaign to match it as the freight centre for the Emirates. Total imports into Dubai at the end of last year came to \$3.5bn of which a probable fifth was re-exported. In tonnage terms this indicates a throughput of 6m tons a year with 1.5m tons being for destinations other than Dubai.

The Dubai Port Services company is now operating 20 berths, 16 for general cargo and four for direct delivery. Another 17 berths are under construction by the Costain-Taylor Woodrow joint venture (which is building the drydock next to Port Rashid) and these should be ready in 1980. The port authority is expecting the joint venture to hand over another four completed berths this summer. There has been tremendous growth in container carried cargo to both Port Rashid and Sharjah's Port Khalid. In 1976 Port Rashid received only 400 containers a month, but last year the total was 54,000 (more than ten times as many) and the expectation for this year is 100,000. In April this year (imports in the UAE were sharply up) Port Khalid handled a record 11,423 TEUs (20 foot equivalents, the standard container is 20 foot long).

The concept of Sharjah as a freight centre, both for air and sea cargo, is a seductive one. The State plans to have 14 conventional berths operational by 1979 and seven are already operating. Berths one and two are leased to a container line which also operates a feeder line service to other Gulf destinations. Port Khalid was the first UAE port to build a special ro-ro facility, and it is now also planning to add cold storage capacity to its general warehousing. (Balcrows is also the consultant to this project of the Sharjah port.)

Sharjah is also building a deepwater harbour and container terminal at Khor Fakkan on the Gulf of Oman, which should be ready by the autumn of this year.

The argument put forward by Sharjah's port managers is that Sharjah is the "natural" freight centre for the Emirates because it is (a) physically central and connected into the developing Arabian road network, (b) has the only deepwater port in the UAE at Khor Fakkan which will be a specialist container port, (c) has one of the most modern and flexible conventional ports at Port Khalid in the Gulf and (d) has an under-utilised international airport. The port management wants to persuade shipping lines to unload containers from the larger vessels at Khor Fakkan for transshipment by either feeder vessel or truck to other Gulf destinations; or to take smaller conventional and container vessels to Port Khalid for transshipment again, either by feeder vessel, or by truck, or by air from Sharjah International airport.

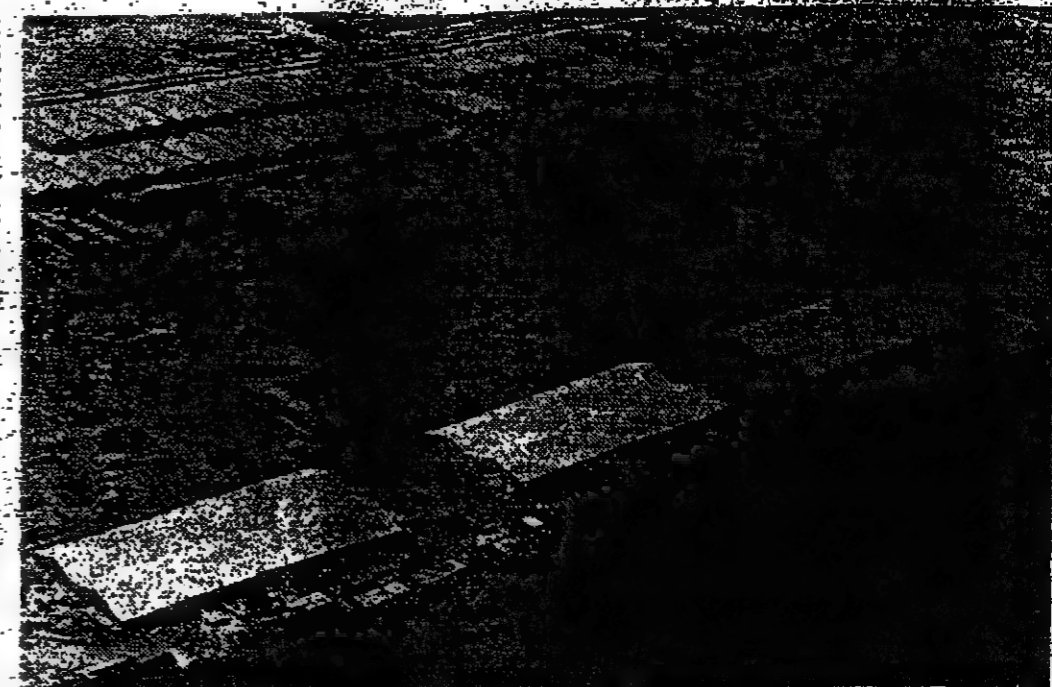
This means persuading shipping lines to offer a sensible rate for structure for transshipment, and to persuade airlines to call at Sharjah's international airport. There is a feeder container service operating from Sharjah at the moment, but it is comparatively expensive, for example, it costs about \$2,000 or so to bring one 20 ft container from Britain to the UAE now, so the importer is going to balk at paying a further \$500 or so to get his container from Sharjah, to say, Doha which is just up the Gulf.

Sharjah's port authorities can so far chalk up one notable success. Some 200,000 sq ft of storage space have been leased to Hugh Ugland Auto Liners behind the ro-ro berth for the storage of the vehicles it brings in. The line is now importing in around 3,000 units

UNITED ARAB EMIRATES VII

PORTS AND AIRPORTS

Overcapacity ahead



Dubai's Port Rashid, built by Costain/Taylor Woodrow

U.A.E. NET IMPORTS*

	1973	1974	1975	1976	1977
Adjusted net imports, Dh.	3,150	6,654	8,772	10,554	13,455
Population estimate '000	320	500	655	750	862
Imports per capita, Dh.	9,844	13,308	13,393	14,072	15,609
Annual rate of increase					
in per capita imports, %	32.5	31.6	22.5	6.2	9.4

* Source: UAE Currency Board.
* Adjusted net imports excluding recorded and unrecorded re-exports from Abu Dhabi and Dubai.

In 1976 at the height of the Gulf boom when anything seemed possible, appears to be proceeding on schedule. When it is completed about 100m cubic feet of sand and rock will have been dredged away by the main dredging contractor, Gulf Cobia, and two subcontractors, resulting in a new artificial creek and a 12-kilometre, 18-metre-deep channel out to sea. The port will have 2,200 metres of wharfage and 15 km of quay.

The success of Mina Jebel Ali will depend very greatly on the marketing of Jebel Ali as an industrial site for the region. The success of Sharjah's ambitious freight handling plans will depend on the marketing ability of Sharjah port authorities as well as their management capabilities, for they have both to woo new traffic and to offer concrete advantages over Dubai's efficient and established Port Rashid.

The concept of Sharjah as a freight centre, both for air and sea cargo, is a seductive one. The State plans to have 14 conventional berths operational by 1979 and seven are already operating. Berths one and two are leased to a container line which also operates a feeder line service to other Gulf destinations. Port Khalid was the first UAE port to build a special ro-ro facility, and it is now also planning to add cold storage capacity to its general warehousing. (Balcrows is also the consultant to this project of the Sharjah port.)

Sharjah is also building a deepwater harbour and container terminal at Khor Fakkan on the Gulf of Oman, which should be ready by the autumn of this year. The argument put forward by Sharjah's port managers is that Sharjah is the "natural" freight centre for the Emirates because it is (a) physically central and connected into the developing Arabian road network, (b) has the only deepwater port in the UAE at Khor Fakkan which will be a specialist container port, (c) has one of the most modern and flexible conventional ports at Port Khalid in the Gulf and (d) has an under-utilised international airport. The port management wants to persuade shipping lines to unload containers from the larger vessels at Khor Fakkan for transshipment by either feeder vessel or truck to other Gulf destinations; or to take smaller conventional and container vessels to Port Khalid for transshipment again, either by feeder vessel, or by truck, or by air from Sharjah International airport.

This means persuading shipping lines to offer a sensible rate for structure for transshipment, and to persuade airlines to call at Sharjah's international airport. There is a feeder container service operating from Sharjah at the moment, but it is comparatively expensive, for example, it costs about \$2,000 or so to bring one 20 ft container from Britain to the UAE now, so the importer is going to balk at paying a further \$500 or so to get his container from Sharjah, to say, Doha which is just up the Gulf.

Sharjah's port authorities can so far chalk up one notable success. Some 200,000 sq ft of storage space have been leased to Hugh Ugland Auto Liners behind the ro-ro berth for the storage of the vehicles it brings in. The line is now importing in around 3,000 units

a new international airport are well advanced and it is situated some 25 km out of town near the Dubai road and so could probably serve Jebel Ali as well. It should be ready by early 1980 and Phase 1 should be capable of handling up to 3m passengers a year, and certain amount of cargo. Although this is not a priority for the planners, they are taking into account the fact that air cargo has grown by over 1,000 per cent between 1969 and 1977.

The new Abu Dhabi International Airport (known as Nadia for short) is being constructed according to a design by Aerport de Paris along similar lines to Paris Charles de Gaulle airport. The present airport at Abu Dhabi has been in use since 1967, and was planned to handle four airlines with about 4-5 flights a day. In 1976, 54 airlines have regular flights, which are up 340 per cent on 1969. Although the airport was extended during 1977 Abu Dhabi's airport authority decided in 1975 that a new airport was really needed.

All airports authority will be created to manage Nadia (and the old airport), which will have a runway long enough to take Concorde. Plans for further airports at Al Ain, in the interior of the UAE, and at Fujairah on the Gulf of Oman coast, are being studied, but consultants have not yet been selected for the Al Ain project. A Canadian consultancy, Aviation Planning, has drawn up designs for Fujairah's airport.

In the far north of the UAE, Ras al Khaimah's airport, the largest in the UAE, handles less than a dozen scheduled flights a week. The Emirates is completing a port development early next year. It will have seven berths, one for export of rock and aggregate, four for general cargo and two for container traffic: the consultants are Halcrow Middle East.

There are eight airports either built, under construction or on the drawing board for the UAE - total population 800,600 plus, total land area 32,000 square miles. At present it seems that the frenetic levels of activity that jammed the ports and airports of the UAE during 1975-76 and early 1977 are not likely to recur. The new airports and extended ports are likely to be under-utilised for some years to come.

D.T.



ATLAS \$ MEDICAL

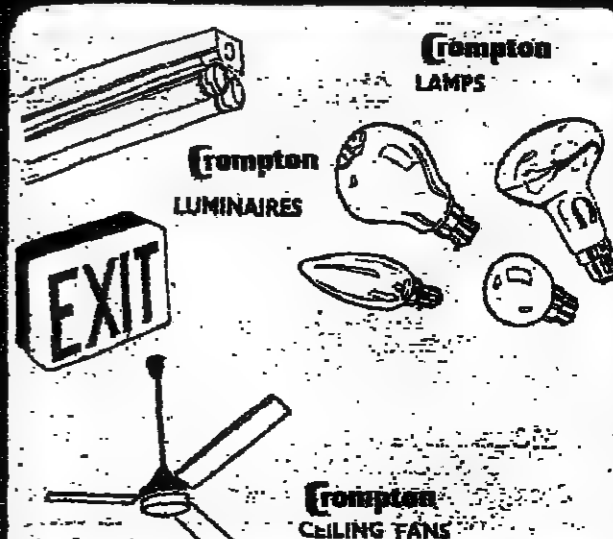
Specialists in Hospitals and
Medical Supplies for
The United Arab Emirates

ATLAS MEDICAL, P.O. Box 6200, ABU DHABI, U.A.E.
TEL: 26582/3

TELEX: 3219

JEEVAN TRADERS

are fighting up Dubai with
Compton U.K. quality



All Manufactured in the United Kingdom
and available from:

JEEVAN TRADERS,
P.O. BOX 2775,
DUBAI, U.A.E.
TELEX: 6043 JEEVAN DB
TEL: 222275 (4 lines)



What's the TD Bank doing in Europe today?



Living up to its reputation.

Toronto Dominion is a Canadian bank which has been building its reputation in Europe for over 60 years. A reputation that is based on our ability to interpret the current business environment and our experience in arranging major sophisticated financial transactions for a wide variety of customers.

Through our global network of over 980 branches, we can arrange Euro-currency financing, term loans for capital expansion or consortium financing for

large scale projects.

Regardless of the size or nature of your requirements, we have the stability and resources required to act effectively. And to every customer we bring the experience gained in 120 years of successful banking.

Discuss your financial plans with us and put our reputation to the test. Toronto Dominion. Financial partner with corporations, governments and banks.



TORONTO DOMINION BANK

where people make the difference

World-wide assets exceed CAN \$19-billion. Head office—Toronto-Dominion Centre, Toronto, Canada. Regional Office—Europe, Middle East and Africa, St. Helen's, 1 Undercroft, London EC3A 8HU. Telephone 01-283 0011.

OTHER INTERNATIONAL OFFICES

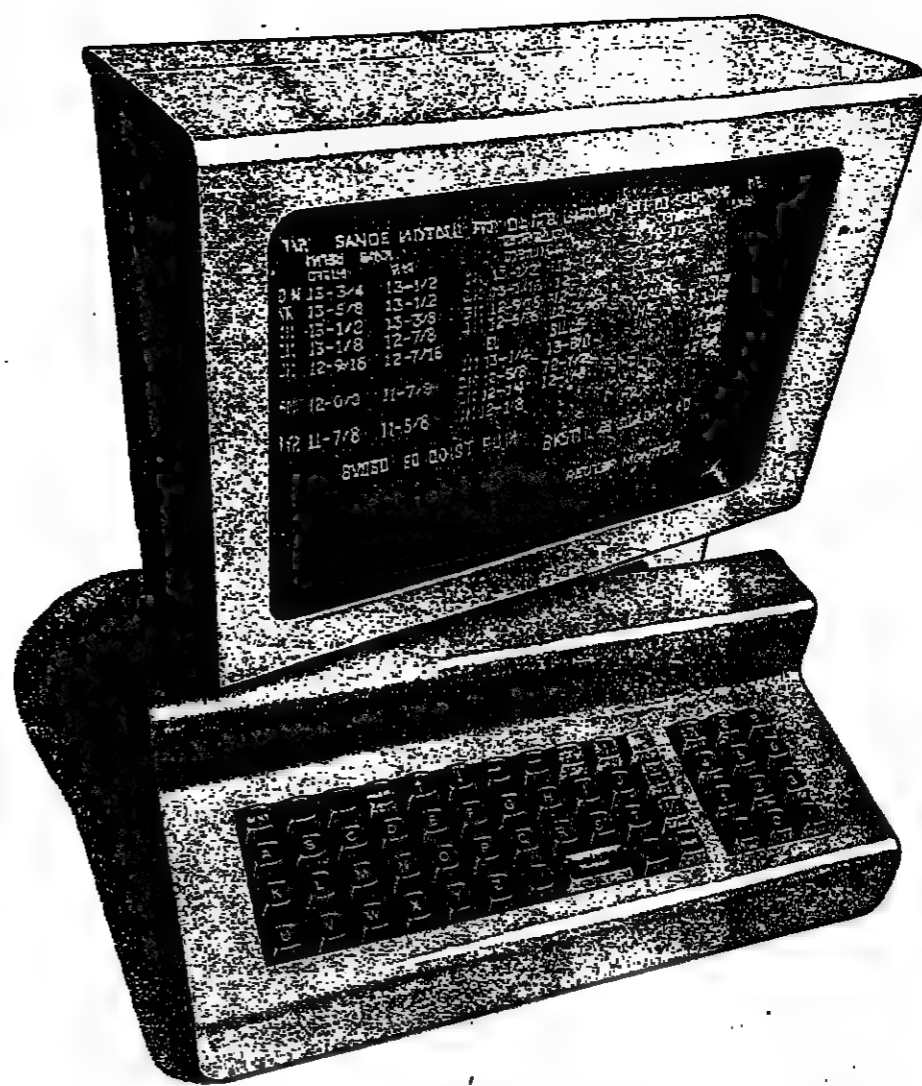
Frankfurt	Houston	Singapore	Bangkok	Mexico City	Beirut	Tehran
New York	Los Angeles	Hong Kong	Taipei	Panama	Abu Dhabi	
San Francisco	Chicago	Jakarta	Tokyo	Sao Paulo	Dubai	

هكذا من الأصل

A9

A further extension of the Reuter Monitor Service in the Middle East

UNITED ARAB EMIRATES ON-LINE IN 1978!



Bankers, financial institutions, money and investment brokers in the UAE will soon be linked to the Reuter Monitor world network. This is an extension of the Reuter Monitor Service in the Middle East, already in operation in Bahrain and Kuwait.

The growing importance of the Middle East as a financial centre makes it essential that institutions there should be able to exchange

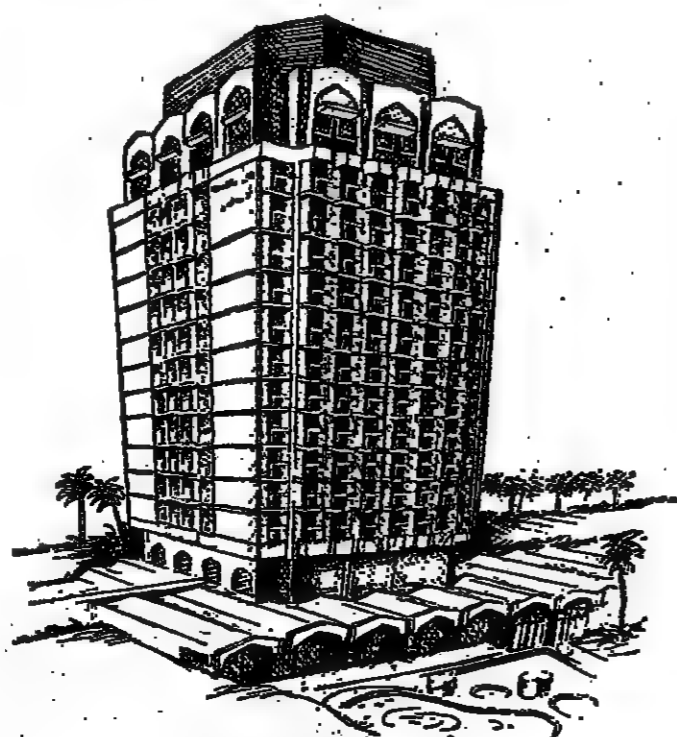
constantly updated market information with their counterparts throughout the world. The Reuter Monitor is now accepted as the fastest and most efficient means of obtaining and disseminating money market information.

The Reuter Monitor—1800 subscribers in 26 countries.

For further details, please contact Malcolm Bain,

REUTERS

Reuters Economic Services, 85 Fleet Street, London EC4P 4AJ. Tel: 01-353 6060.



The UAE's new five star super deluxe hotel for businessmen



The Holiday Inn's unique location offers you a relaxing sojourn on a hectic business trip to the Gulf. Combining the placid seclusion of the Khalid Lagoon with the convenient proximity of the city centres and both the Sharjah and Dubai international airports.

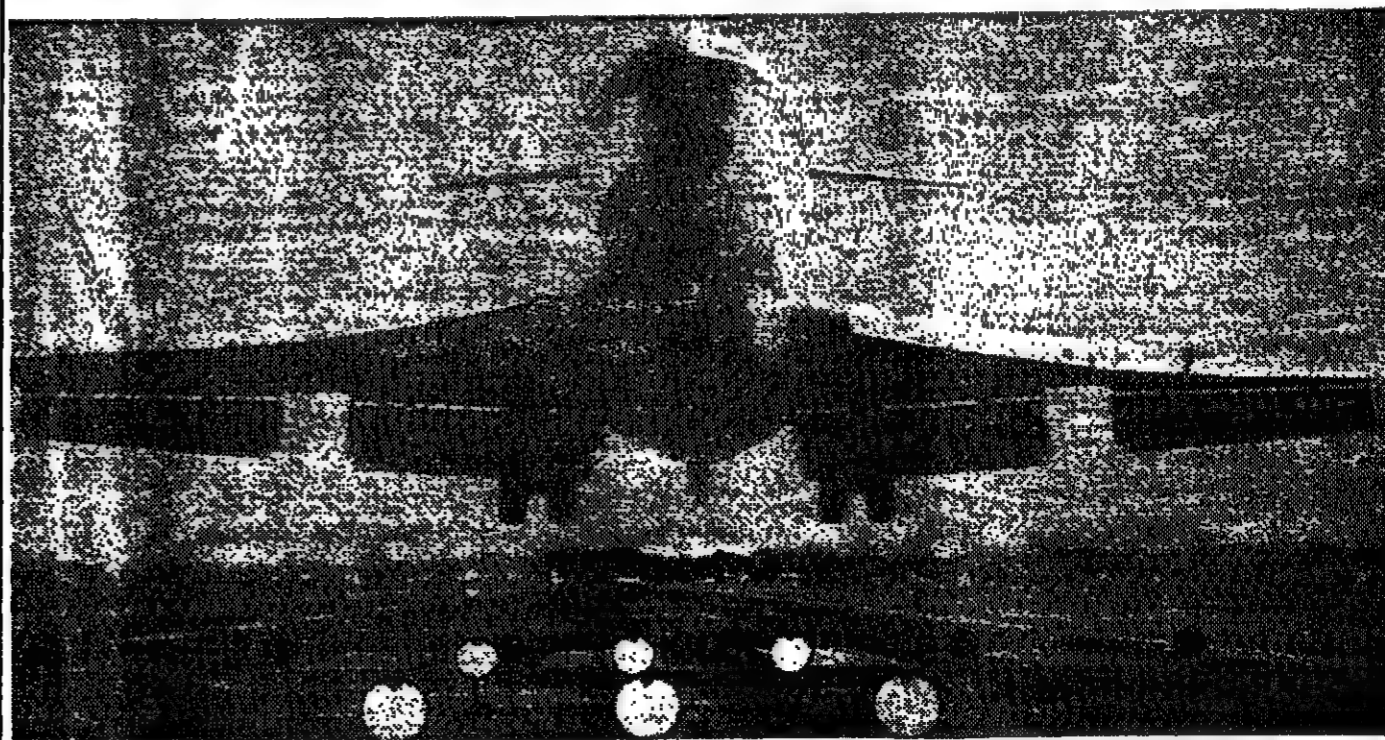
Holiday Inn's five star super-deluxe facilities: 270 centrally airconditioned rooms and suites, 4 channel piped music, Colour TV with in-house movies, Direct dial telephones, Outdoor fresh water Swimming Pool, Meeting and banqueting facilities, Choice of restaurants and bars with Continental and Oriental cuisine, Discotheque, 24-hour Room Service, Free Parking, Free luxury commuter buses to downtown Sharjah and Dubai, Shopping Arcade, Telex and Secretarial Services.



For rates and reservations contact your travel agent, any Holiday Inn or Holiday Inn reservation office. Or write direct to the General Manager, Holiday Inn, P.O. Box 5802, Sharjah, United Arab Emirates. Tel: (3) 57357, Telex: 8305 HOLINN SH.

Now open

Other Holiday Inns in the Middle East: SALALAH (Oman), ADABA (Jordan). Opening shortly: BAHRAIN, AMMAN (Jordan).



OUR AIRCRAFT HELPED A RUNWAY GET OFF THE GROUND

Getting a big project like a runway started isn't easy. Especially when the site is in the middle of a desert. But at Transmeridian we took the job in our stride.

We based a CL44 Swingtail freighter in the Middle East for 3 months and clocked up 675 flying hours in 225 flights, carrying 5000 tons of concrete.

With our own fleet of DC8 and CL44 aircraft — and our unique Skymonster — we are big enough to handle that sort of project. But we're also flexible enough to give the same specialised service to consignments as small as 500 kgs.

Transmeridian's split-charter flights to Australia, the Middle and Far East, and West Africa offer a regular service at charter rates. Our offices in Sydney, Hong Kong, Muscat, Sharjah and Lagos ensure your freight is handled carefully right through to its destination.

So whether your freighting requirements are outside or handy size, get in touch soon. We'll take the load off your mind.

Transmeridian Air Cargo Limited

Stansted Airport, Stansted, Essex. CN24 8BR. Tel: (0279) 57611 Telex: 81349. Booking Centre Telex: 817618. Sita code: STN SSKK.

Post Box 27, 6236 ZG Luchthaven, Zuid-Limburg, Netherlands. Tel: (04402) 4888 Telex: 56751. Sita code: MST SSKK.

P.O. Box 3047, Seeb International Airport, Muscat Sultanate of Oman. Tel: 610303. Sita code: MCT OOKK.

TAC

J&P

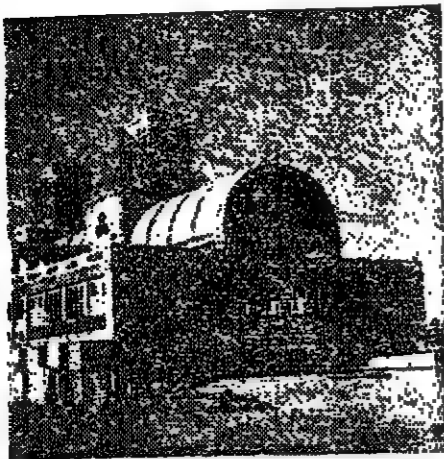
JOANNOU & PARASKEVAIDES (OVERSEAS) LIMITED
Building and Civil Engineering Contractors

THE SIGN OF CONFIDENCE IN THE BUILDING INDUSTRY

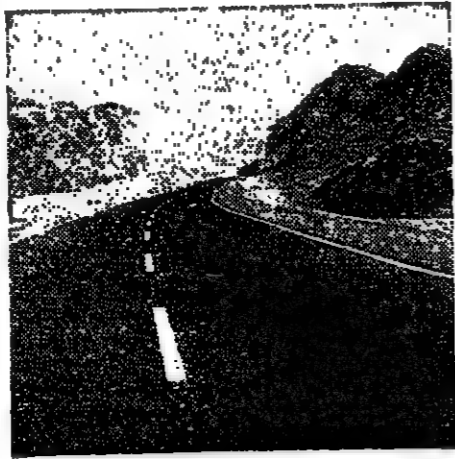
Established and Operating in United Arab Emirates, The Sultanate of Oman, Saudi Arabia, Iraq and Libya

Renowned for SPEED and QUALITY

Experts in the Construction of: ROADS — BRIDGES — AIRPORTS — DAMS — INDUSTRIAL BUILDINGS — HOTELS — SCHOOLS — HOUSING SCHEMES — HOSPITALS — PREFABRICATED BUILDINGS . . .



The "SOUK" at Sharjah



A road in the U.A.E.

OFFICES:
U.K.
Kendal House,
203, Regent Street,
Tel: 01-439 7581
Telex: JAYNPEE
287758
LONDON W1R 7DE

DUBAI
P.O. Box 4624
Tel: 221283, 664800
Telex: 6477 JGHO EM
5337 JAYNPEE DB
Deira-DUBAI

ABU DHABI
P.O. Box 2536
Tel: 29800
Telex: JAYNPEE
2242 AB
Muscat
SULTANATE OF OMAN

Also Offices in Nicosia, Athens, Damascus, Riyadh, Jeddah, Al-Khobar, Benghazi, Tripoli, Baghdad and Nigeria.

FEDERAL COMMERCIAL BANK LIMITED

Complete Banking Services

Correspondents
and Agents throughout
the world

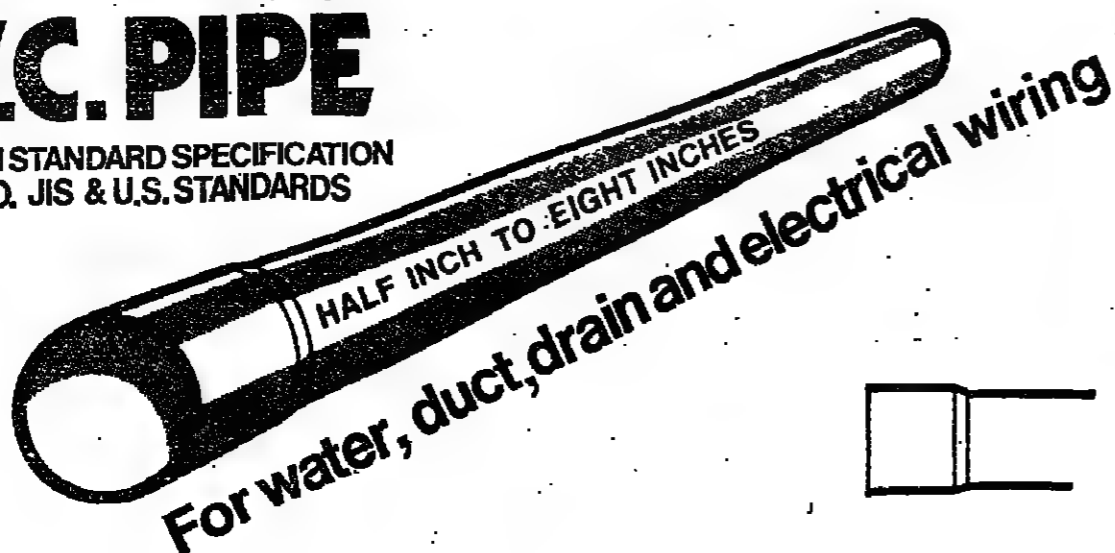
Head Office: P.O. Box 2934, ABU DHABI, U.A.E.
Tel: 24920, 25291, 25292, 25293, 26913
Telex: 2689 FEDBANK AH

Dubai Branch: P.O. Box 1069, DUBAI, U.A.E.
Tel: 282291, 282292, 282293, 282294
Telex: 6801 FEDBANK EM



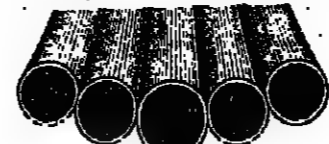
P.V.C. PIPE

TO BRITISH STANDARD SPECIFICATION
TO DIN, I.S.O. JIS & U.S. STANDARDS



For water, duct, drain and electrical wiring

National Plastic



SHARJAH

P.O. Box 1943, Tel: 357218
Telex: 8529 EM, A/S Pipe

UNITED ARAB EMIRATES X

ABU DHABI

Time to take stock

THIS IS a time for reflection in Abu Dhabi. The surge of construction work is nearly over, and the transformation from a desert sheikhdom based on a few oases and nomadism to an urban society based on oil revenue is almost complete. Behind the apparently mature facade of the town of Abu Dhabi, many of whose wide boulevards are already disturbingly empty of traffic, the inhabitants are asking serious questions: Is this the place that we wanted to create? Where do we go from here?

Oil revenue surplus states have to face questions like this at different times; but it is particularly traumatic for Abu Dhabi because, unlike Kuwait or Saudi Arabia, the process of transformation began only very recently—with Sheikh Zaid's coming to power in 1966—and the greater part of it only took place in the past four years with the oil price boom. Changes have occurred so fast that it has been difficult for people to keep up with them.

What strikes the outsider is that, if there is an element of disillusionment clouding the deliberations now going on, fundamental questions are being faced more squarely than in many other parts of the UAE and Abu Dhabi shows signs of moving towards some sound conclusions.

In the initial rush of development Abu Dhabi's path seemed clear: it would build the infrastructure—the roads, power stations, water plants, etc.—for a modern state, assist the other members of the UAE by devoting a large part of its revenues to them, and then move on to create large scale, capital intensive industry which would at some point in the future take over from oil and gas as the main source of revenue.

Now oversupply and credit restrictions have for the moment ended the property boom, and the end of infrastructure spending is in sight. In the less hysterical atmosphere Abu Dhabi, pondering the next stage of development, are now highly conscious of being outnumbered in their own state by immigrants from the sub-continent and the rest of the Arab world. They do, after all, number only about 40,000 (or perhaps less) out of a total population of at least 250,000.

Many Abu Dhabians are uneasily aware that while they make the final decisions, the machinery of both the state and federal government and of the state oil company, ADNOC, is in the hands of foreigners, and this has meant that these institutions have inevitably assumed something of a momentum of their own.

This feeling was succinctly put recently by the Federal Minister of Planning, Mr. Saeed Ghobash, who said in an interview: "People want to see their own people around them. They don't want to feel as if they're in a foreign country every time they walk outside their home." He might have added that the murder by a Palestinian last autumn of his relative, Mr. Saif Ghobash, the deputy foreign minister, brought home to the whole UAE its vulnerability to outside influences in the Arab world and the underlying precariousness of control by UAE nationals.

So it is not surprising that strong doubts are now being expressed in government circles about Abu Dhabi's industrialisation plans which, capital intensive as they are, would certainly lead to an increase in the immigrant population and will involve only minimal participation by UAE citizens. Mr. Saeed Ghobash confirmed his doubts about this in the same interview, in which he declared himself in favour of less industrialisation, less materialism, only moderate economic growth and much greater concern for Arab and



Central Park, Abu Dhabi, and new commercial tower blocks.

Islamic traditions and social cohesion. His views, which less difficult to think of many other being considered, but all face major projects which will be the problems of high costs, a major project which will be the problems of high costs, a major project which will be the problems of high costs.

But the decision to slow down or abandon development is not likely to be an easy one. Many large stretches of Abu Dhabi are being transformed by the highly ambitious project for profit. The theory that the industry for prestige, one accept is that if this is done on a large enough scale it will change the climate and give more importance on the Abu Dhabi higher rainfall. Several British companies are involved, including Clapham, Landscapes, Blakedown Landscapes and VEB Landscapes. Apart from the inaccessibility of many of the sites and the harsh climate, a major problem is finding suitable water supplies. In many of the areas, since much of the water in aquifers is too salty for growing trees, the projects involve drilling wells, installing pumps and drip line irrigation systems. VEB is planting 80,000 trees of six types on 1,000 acres at Ghayathi in the western province of Abu Dhabi. The Emir is trying to encourage production from agriculture, both in the traditional farming areas of the oases and on Sadiyat Island near Abu Dhabi town, in vast greenhouses.

The brake on spending will help the Emir's accounts. The Emir's income omits Sheikh Zaid's share of the oil revenue—thought to be about 7 per cent—and the income retained by ADNOC after it has paid tax and royalty (at a lower rate than ADMA and ADPC) to the Government. Last year the Emir had an income of Dh 21.6bn of which Dh 5.4bn was spent by federal ministries, between Dh 6bn and Dh 7bn on combined current and development spending by the Emir and about Dh 4 bn on aid, leaving a surplus estimated at about Dh 4bn or Dh 5bn to be transferred to the Abu Dhabi Investment Authority.

For the current year income is likely to be about 12 per cent less because of the cut in oil output. The federal budget has been agreed at Dh 10.5bn, of which virtually all is likely to be contributed by Abu Dhabi, and it is probable that it will absorb more than it did last year, while the Emir's total spending is put at about Dh 8bn. With aid at about Dh 4bn Abu Dhabi is likely to have only a slender surplus this year and possibly a deficit in 1979. This is another factor that must give pause to the Emir's financial planners.

Big plans for large-scale industrialisation have been drawn up. An entire industrial city has been planned for Ruwais, about 240 km west of Abu Dhabi near the ADPC crude oil terminal. The master plan, drawn up by the U.S. consultants Arthur D. Little, envisaged a population of between 40,000 and 80,000 people with its own port, power station, water plant and housing area. The main industries proposed were a gas liquefaction plant, an export refinery, a urea/ammonia plant, an ethylene cracker and an iron and steel plant. The LPG plant is now in the engineering phase and is expected to go ahead at a cost of \$1.7bn, with the U.S. companies Bechtel and Fluor as the main contractors. Snare Progetti is doing the engineering work on the refinery, whose size has been scaled down so that it is likely to serve only the UAE market and have 120,000 b/d capacity. But the urea/ammonia plant has been postponed for the time being, as has the ethylene plant, while the steel plant which would use imported ore and local gas in the direct reduction process has been effectively shelved, subject to a final feasibility study.

Thus the size of the Ruwais complex is likely to be far smaller than once planned and the population is not likely to exceed 40,000 or 50,000. Meanwhile some small industrial

But perhaps the most significant thing about the ADIA, which may be indicative both of its future importance and of a trend which may spread to other institutions in the Emirate, is the fact that it is not under the control of UAE nationals, thanks to an industrialisation policy pursued energetically by the Foreign Minister, Mr. Ahmed bin Zayed, which appears to be working well.

Observers are beginning to speculate as to whether the Emir's authorities will decide to implement a similar policy at ADNOC, which is controlled by Algerians under Mr. Mahmoud Krouha, highly sensitive about its operations and without a UAE citizen in its highest echelons. It has so far published no accounts, yet has an annual income before tax, royalty and operating costs of about \$2bn. The balance of what it is expected to hand over to the ADIA, its authority is likely to increase as things stand because it will be responsible for the Ruwais development, which will come out of ADNOC's revenue rather than that of the Finance Ministry.

The Emir's policy on oil royalties is another article, also reflects the Emir's growing desire to have a clearer perspective about its future in which it can make planning decisions. Broadly speaking it is cutting back on production, mainly as a conservation measure, in developing production capacity (by developing the Upper Zakum offshore field at a cost approaching the North Sea level) and, apparently, so as to have flexibility in its production levels in the future, and encouraging exploration both onshore and offshore in order to see what its ultimate reserves are.

What should become clear from any study of hydrocarbon resources is that Abu Dhabi can well afford at this stage to think critically about its future and have sufficient time to make a success of what ever policy it adopts. And although its educational base is inevitably a generation behind those of Kuwait and Saudi Arabia, it also has the advantage of being able to draw on each of these countries' experience of very different patterns of development.

Guthrie Galadari

Your new trading force in the Middle East

THE TASK
To provide an efficient, modern means of distribution in the Middle East for a carefully selected range of consumer goods.

THE FORCE
A.R.E. Galadari & Brothers—a major commercial power in the area for more than 150 years with unparalleled local expertise and experience.

The Guthrie Corporation Ltd—one of the largest international trading organisations.

Now the resources and capabilities of these two major companies have been linked in a powerful new trading partnership "Guthrie Galadari".

THE SERVICE
From its base in Dubai, Guthrie Galadari is able to facilitate every aspect of selling consumer goods into the Middle East markets, making exporting to this important, fast growing area as simple as a domestic transaction.

We have a modern and efficient distribution network to take care of every detail from the factory door to the retailer's shelf.

THE OPPORTUNITY
If you're not achieving your proper share of the growing Middle East market, now you can do something about it. Make contact with Guthrie Galadari at either of the addresses below. Your own Middle Eastern trading force is waiting.

Guthrie Galadari P.O. Box 138 Dubai United Arab Emirates Telephone: 664000 Telex: 9443 GABROS DB	Guthrie Trading (UK) Ltd Bath House 83/80 Holborn Viaduct London EC1A 2ES Telephone: 01-248 7671 Telex: 833121 GUTHRIE G
-----------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------

UNITED ARAB EMIRATES XI

DUBAI

Economic revival

DUBAI IS easily the most vibrant of the seven Emirates. One can stare for hours at the middle of activity in the

spacious creek as ferry boats, shows, oil platform supply ships and small freighters churn up the azure water in the fresh sea breeze. There is something awe-inspiring, if a little frightening, about the immensity of the Jebel Ali developments on the road from Abu Dhabi. And in Dubai itself the fierce construction activity, happening noisily in a far more compressed area than in most other Emirates, might lead one to ask: "Haven't they heard about the recession?"

Dubai suffered its recession along with the rest of the UAE last summer. From August onwards trading turnover dropped as the effects of the credit curbs brought an end to the UAE boom. The smaller and less experienced merchants found themselves overstocked and many went bankrupt, leaving the larger merchants supreme. The end of exponential growth brought oversupply to the property sector, and many business men had either to sell out at far less than they had anticipated or hang on waiting for better times, typing up their capital. As some of the larger projects neared completion construction workers began to depart, and early this year Dubai airport reported, for the first time in years, more people departing than arriving.

Now there are signs of an upturn in business in Dubai. Although trade is 20 per cent below the levels of last year, letters of credit are being issued on an increasing scale. Merchants are beginning to build up their stocks again after running through the large inventories they acquired last year after the abrupt ending of port congestion. The property market now favours the tenant instead of the landlord and the interior properties are difficult to let, but there appears to be little difficulty letting properties at the higher end of the market, so some businessmen now have greater liquidity. The continued spending of Abu Dhabi is an important motor of

growth, since so many of Abu Dhabi's imports come through Dubai.

But it is not clear how strong the revival in the economy will prove to be. With the completion of two superb new hotels, a Sheraton (with a waterfall in the colossal lobby) and a Hilton, dwarfed by the Dubai Trade Centre, the tallest building in the Middle East, it is now easy to get a hotel room, and indeed the new hotels have so far (by recent Middle East standards) had fairly low occupancy. The Trade Centre, owned by the Ruler, Sheikh Rashid bin Saeed al Maktoum himself, will add mightily to Dubai's office space and accommodation, as will (a little later) the complex now going up on the Corniche in Deira, which is to contain 401 flats, a Regency Hyatt House hotel with 475 rooms, 80,000 square feet of shopping space, 35,000 square feet of office accommodation, and sports facilities, including the region's first permanent ice skating rink. These buildings are monuments to Dubai's future.

Certainly there seems little reason to doubt the continued success of Dubai's trade, upon which its initial prosperity was built. Imports for the UAE itself have come to amount to about 90 per cent of all the cargo handled legally through the ports, but this can be expected to decline gradually in the coming years because of the near-saturation of the market, so Dubai will be forced to rely more heavily on its entrepot trade. This is both diversified and highly efficient, with letters of credit being issued on an increasing scale. Saudi Arabia (Dh277m) and Qatar (Dh235m) the three largest markets, but with Oman, Kuwait, Bahrain and Pakistan also important. Now that Port Rashid is uncongested (and still expanding) Dubai is becoming the warehouse of the Middle East; recently, when there was a shortage of timber in Saudi Arabia's Eastern Province, supplies already in Dubai were able to fill the gap, far faster than a shipment could have been ordered from the Far East or elsewhere.

The gold trade and other illegal commerce with the states on the north side of the Gulf and India are thought still to account for more than 15 per cent of Dubai's total turnover. With the backing of its smooth-running financial system and the UAE's good communications, Dubai is now moving logically to third country trade, whereby a Dubai merchant arranges and a Dubai bank finances trade between two other countries without the goods ever touching Dubai.

Dimension

Oil income (production began in 1968, and last year averaged about 320m barrels per day) has added a new dimension to Dubai. First, it has enabled Dubai to make a much bigger investment in its trading facilities, both directly by expanding Port Rashid and indirectly by improving the infrastructure and making Dubai a more pleasant and sophisticated place to live and work. But second, and more important, it has started large scale investment in industry, which is more controversial, both in the commercial sense and in its implications for Dubai's future population.

The most obvious symbol of the new Dubai is the dry dock, which should be finished early next year at a total cost of about £250m—compared with the 1976 revised estimate of £162m. So far the Ruler is still negotiating with four different companies to take the management contract. No one in Dubai expects the dry dock to be profitable in the initial stages of operation, partly because of the depressed state of the tanker market and partly because of the relatively high cost of building it.

But the most striking expression of Sheikh Rashid's ambition to make Dubai into a major industrial centre is Jebel Ali. Here, about 20 miles down the road to Abu Dhabi, a creek has been dug into the desert, and an immense harbour is being built out into the Gulf with breakwaters which could

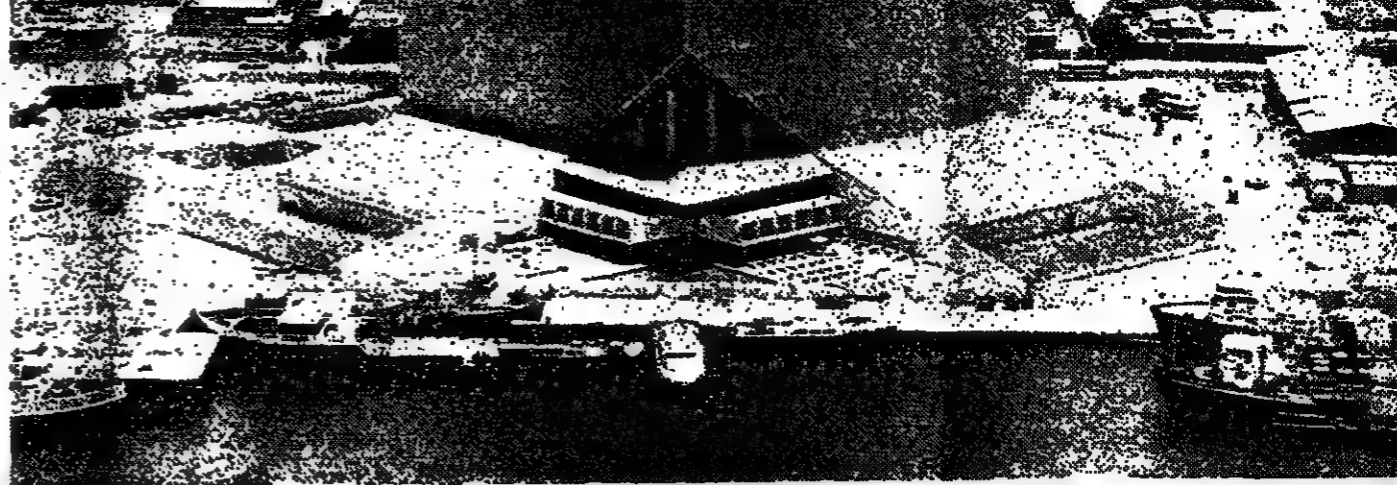
allow for up to 74 berths. On shore, part from the infrastructure, the heart of the project is to be a gas liquefaction plant, being built at a cost of about £425m by McDermott Hudson Engineering, which will supply gas for the Dubai aluminium smelter, as well as producing natural gasoline, propane and butane. The smelter, being erected by British Smelter Construction and expected to cost well over \$600m, will also be combined with a power station and desalination plant, being constructed at a cost of about £150m by Mitsubishi and Sumitomo.

Apart from the problems of commissioning and running a highly sophisticated piece of technology in the very severe environment of the Gulf, the chief difficulty at present is the shortage of gas in Dubai to fuel it. Dubai now intends to pipe gas from reserves discovered off Umm al Qaiwain to Jebel Ali (a second test of the field is to be made shortly), and it is also hoping to bring gas from an as yet not fully assessed field in Oman. But it is not yet certain how much gas these sources will provide, and there could be problems in blending the different gases to power the plants.

Already the first industries are being attracted to Jebel Ali: an aluminium extrusion plant is just opening next to the smelter; the British company Cleveland Bridge has just started production in making structural steel; BICC is to build a cable plant in partnership with the Ruler; Tube Investments is contemplating a factory for making aluminium and steel goods; and other companies have expressed interest.

While the aluminium smelter is aimed at the world market, the other industrial plants are looking beyond the UAE market to sales elsewhere in the Gulf, notably in Iran, Saudi Arabia and even Iraq, while Cleveland Bridge has just secured an order in Egypt.

But at this stage there appears something disproportionate about the scale of the industry so far attracted to Jebel Ali



The Sheraton Hotel on Dubai Creek, which opened in April 1978.

compared with the number of berths which the port will be able to provide. Originally the concept also included a totally new airport, which would only have been about 20 miles from Dubai's existing one: this has now been abandoned. Projects for a refinery and a steel mill also appear to be very much on the back burner at present.

Dubai has already spent more than Dh 2bn on the port and infrastructure at Jebel Ali (which is being paid for in cash) and the total cost of the port, assuming the 74 berths are completed, is roughly estimated at Dh 6.5bn and is scheduled for completion in 1980. The Emirate's expenditure has been rising sharply in the past three years, especially on the development side, and it is estimated that leaving aside projects financed by loans last year recurrent spending was about Dh 540m, while development reached Dh 3.12bn. (This compares with figures of Dh 425m for recurrent and Dh 1.48bn for development in 1976.) With revenue last year estimated at Dh 4.8bn (principally from oil, though Dh 237m came from customs) the Emirate still had a respectable financial surplus, even after paying about Dh 500m in loan service charges.

This year could be a little more difficult, though since there is no budget the figures

both then and in 1980, after which they will decline it is Dubai, with its financial sophistication, efficiency and speed of mobilisation.

Apart from the questioning on economic grounds by some of the merchant community of how the Ruler chooses to allocate Dubai's resources, it would be wrong to suppose that Dubai is totally free of the self-doubt and uncertainty that afflicts the rest of the UAE. There are certainly Dubais who are concerned about the fact that Jebel Ali will boost the number of immigrants in the UAE by at least 100,000. So far the Dubais have not allowed themselves to be swamped by immigrants despite their great preponderance in the population: while the lower grade immigrant construction workers are kept firmly in their place and repatriated to the sub-continent at the first sign of trouble, the more able and sophisticated — mainly from Iran, Pakistan and other Gulf states — are given a major stake in the Emirate's prosperity through being allowed to operate freely in business there. The system has so far worked well, but it is being questioned whether it is really desirable for the future cohesion of the Emirate to create a large permanent proletariat of immigrants.

What is striking, however, is the degree to which much of Sheikh Rashid's spending has little to do with the Creek and the traditional heart of Dubai's success, commerce. Naturally Dubai benefits indirectly from the construction activity at Jebel Ali, but some merchants have been known to complain that the oil money has not been channelled more directly to them. However, commerce and industry are sufficiently separate for Dubai's trade to be more or less immune from any possible failure at Jebel Ali. Anyway the feeling in Dubai and elsewhere in the Gulf is that if any state can be successful in the almost uncharted

J.B.

Deutsche Bank, a century of universal banking

Attraction is not always a matter of strength.

Our position in the world of banking is more than just a question of volume. Both at home and abroad our accumulated experience in universal banking, backed by service and a tradition dating from 1870, has made us what we are today.

As a universal bank, we are familiar with the ins and outs of all aspects of international financing; we offer tailor-made solutions to your problems, as your partner both at home and abroad. Our

worldwide staff is trained to respond flexibly, even to the most demanding requests, and to make decisions quickly.

Our detailed knowledge of what's happening in world markets, our long banking tradition and excellent contacts have created our international reputation. These contacts can be passed along — to the benefit of your business.



Deutsche Bank
Central Office: Frankfurt (Main)/Düsseldorf

Deutsche Bank AG, Representative Office
B.T. Building
Riad Solh Street, P.O. Box 11-710
Beirut, Telephone: 24 2189

Deutsche Bank AG, Representative Office
23, Kasr el Nil, P.O. Box 2306
Kairo, Telephone: 97 46 41, 97 43 73

Deutsche Bank AG, Representative Office
Av. Karim Khan 2nd No. 78
(AEG Building), P.O. Box 11-1873
Tahran, Telephone: 82 12 72, 83 03 48

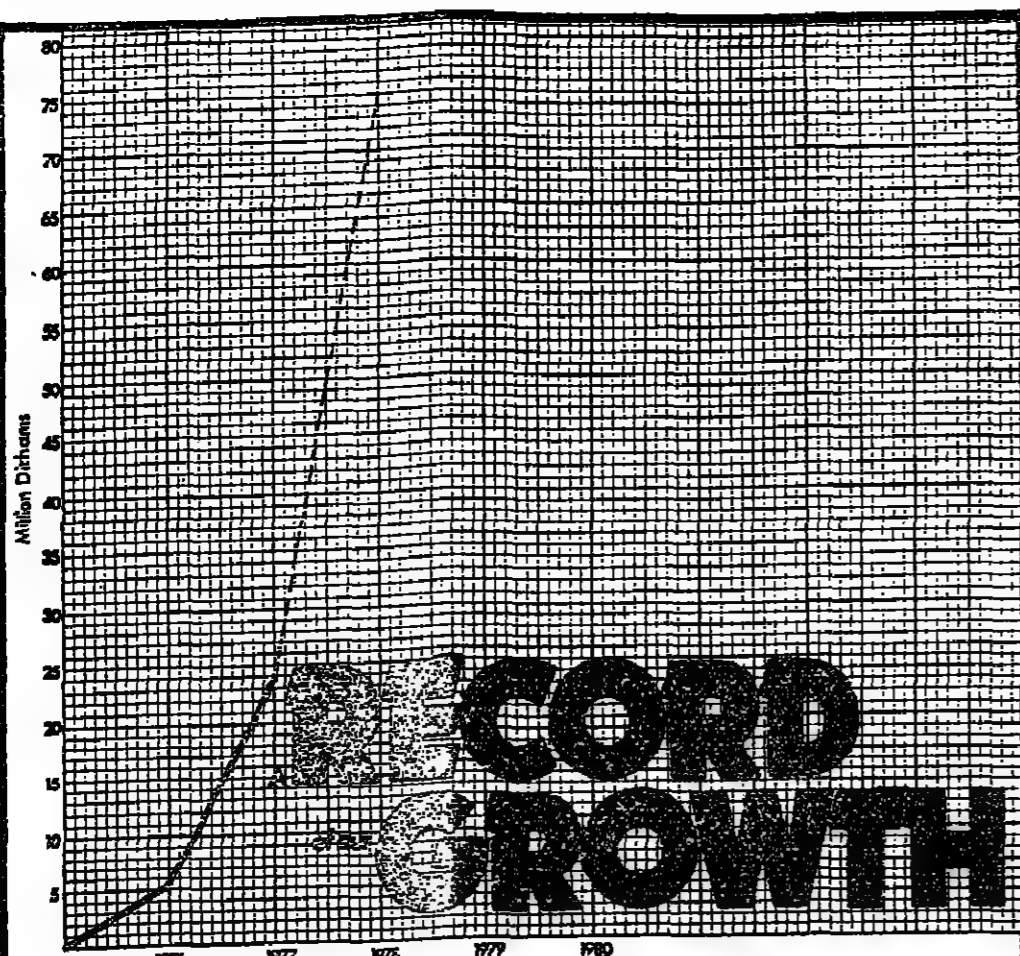
Deutsche Bank AG, London Branch
10, Moorgate, P.O. Box 441
London EC2P 2AT, Telephone: 806-44 22

UNITED ARAB EMIRATES XII

SHARJAH

A new framework

22



A young Company in a hurry. Sounds familiar? Our record proves itself. And we have big plans for the future. Not fancy projects but solid businesses based on stark realities, professional management and an insight of the area.

Current Operations
 Building Materials Division — Timber and Cement.
 Automobile Division — Sole agents in the Gulf for PUMA Cars.
 Chemicals and Paints Division — Industrial Chemicals, Aerosols, Coatings and Sealants.
 Agricultural Division — Solar Energy Irrigation System, Shade nettings, fertilizers, etc.
 Joint Ventures — Sheffield Insulations (M.E.) Ltd.
 and several others under negotiations

YOU'LL HEAR MORE ABOUT US

MILIC INTERNATIONAL
 GROUP OF COMPANIES

P.O. Box 1854, SHARJAH, United Arab Emirates. Tel: 355131/2, Tx: 8062 MILIC EM

شركة الصفاء للتجارة والتبريد

Safa'a Trading & Refrigerating Co.

—COLD STORAGE IS OUR SPECIALTY—

In addition we are involved throughout the Northern Emirates in:

—food retailing

—processing dairy products

—bakery and patisserie

—mechanical spare parts

—fibre glass production

—petrol stations

—advertising

Branches:—

Fujairah

Khorfakkan

Ras Al Khaimah

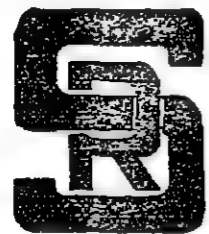
Head Office:—

P.O. Box 1932,

Sharjah, U.A.E.

Tel: 355071

Telex: 8353 SH FADJ



The Trading & Industrial Equipment Co. (Dubai) W.L.L.

U.A.E. DISTRIBUTORS AND STOCKISTS OF:

AMERICAN	Holsts, Crawler and Truck Cranes, Power Hoes	KISMET	Garage Equipment and Accessories
BAND-IT	Banding Tools and Supplies	PETTIBONE	Hydraulic Mobile and Truck Mounted Cranes, Forklifts, Carrylifts
CLFA	Concrete Transit Mixers and Batch Plants	WAUKESHA	Diesel Engines and Generator Sets
CLECO	Sandblasting Equipment and Accessories	WIWA	Airless Paint Spray Equipment
DIA	Dewatering Systems and Pumps		
FAGERSTA-SECOROC	Rock Drilling Bits and Steels		

AIRPORT ROAD. Tel: 226251 and 226254/5. TELEX: 5595 DB.
 CABLE: "TIECO" DB. P.O. BOX 5291 DEIRA

HAMED AL MASAOOD

GROUP OF COMPANIES

DUBAI GENERAL TRADING CO.

-SHIPCHANDLERS-SUPPLY & SERVICES

SARILA U.A.E.-FITTED KITCHENS

SPARES CENTRE

HAMED-INFIS-FEAB

P.E.E.L-MIDDLE EAST

zabeel road, dubai side

p.o. box 169 dubai

telephone 470755/56

telex 6039db. cable 'marina'

SHARJAH IS where debate about the use of resources begins and ends. The Emirate is a standing testament to the vulnerability of developing countries to the assaults of irresponsible development.

Sharjah town is physically the most striking capital in the Emirates. Its neatly laid out streets and buildings are probably better designed and finished than anywhere in the Gulf. Its hotels are among the best, its port the most modern and efficient. The Emirate's east coast port at Khor Fakkan is one of the most visually delightful spots in the UAE and potentially a winner. Sharjah's newly finished Souk is one of the most beautiful buildings, ancient or modern, in the Middle East. It has everything except people.

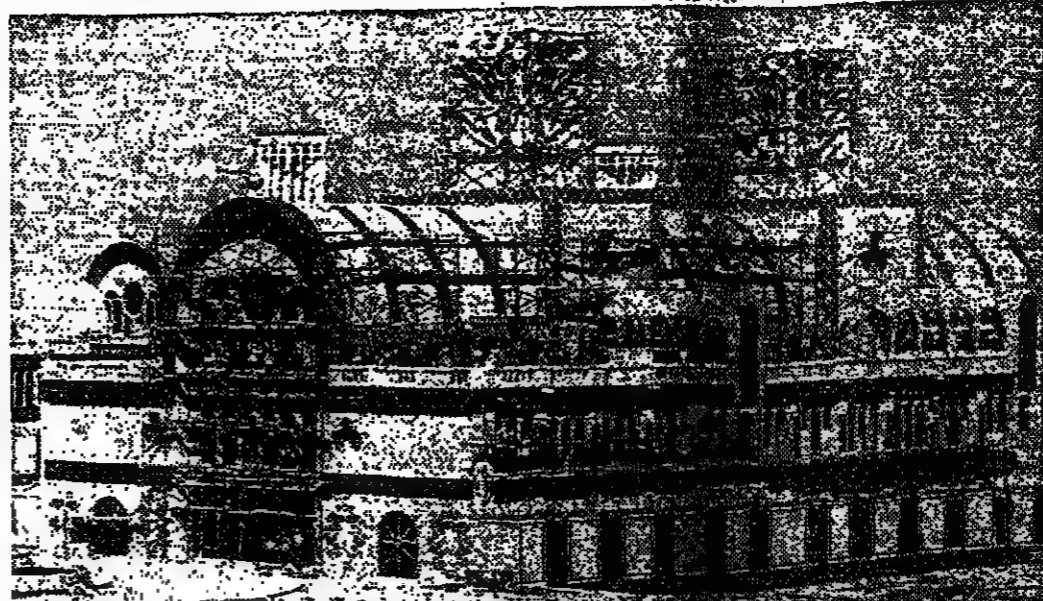
Economically it is a near-catastrophe, not because it is the place in the Gulf hardest hit by the recession (which it is) but because its planners have created a state infrastructure and are now searching for an economy to drop into place. They are beginning to discover that the framework does not fit.

The tragedy is that socially and politically Sharjah is the UAE's most attractive environment. Its ruler Sheikh Sultan Bin Mohammed Al-Qasbi has acquired more constructively than any of his fellow emirs in the principles of federation. To encourage businessmen he maintains the least amount of red tape and runs the most relaxed state in the UAE. His main comfort must be the trust that Abu Dhabi's Sheikh Zaid will back him for his loyalty.

In many respects the original concept of the new Sharjah was a serious attempt to make the best of the Emirate's resources in the fairly unruly development environment of the UAE and the Gulf. It was largely devised by the American adviser to the Ruler, Dr. Bart Paff, whose aim was for Sharjah to concentrate on doing a few things very well. The Emirate's oil revenue was small, so it needed to diversify. It should make use of its two coasts to become a cargo-handling centre for the federation and the region. It wanted to become a business and financial centre. The planners aimed to create a pleasant environment that would attract expatriate company headquarters and a number of light, capital-intensive industries. Sharjah hoped to lure visitors to the central part of the UAE to its hotels and intended to develop a tourist industry for the Gulf region in general.

Implausible

These were not completely unrealistic aims, though the concepts of becoming a financial centre and a tourist resort were always implausible. But the plan depended heavily on a continuation of the Gulf boom at something near the rate prevailing in 1975 and 1976 when the decisions were made, and even had the boom continued, and the Emirate's oil income provided a rather greater underpinning of the economy than has been the case, the implementation was flawed. The plan had to accommodate (reluctantly, one assumes) the fact that the Emirate was already committed to building an international airport only half an hour from Dubai's. In the commendably open business atmosphere which Sharjah was so anxious to create, it was hard to restrain local businessmen and ambitious newcomers from commencing far more projects — such as hotel schemes — than made sense. And the planners may not have fully accounted



Grindlays has financed this new Souk in Sharjah. It has been built for Sheikh Sultan alongside the Khalid Lagoon.

for the ruthless competitiveness and greater resources of Dubai next door, which in so many ways Sharjah aimed to emulate. Somehow, when Sharjah began its belated boom two years ago, reality was lost sight of. So much were Sharjahs and expatriates alike bound up in the boom that development fed on itself exponentially. (It is a measure of the magnetic charm and infectious optimism of the place that many people have still not recognised the simple fact that Sharjah may well never complete many of the hundreds of blocks of offices and apartments which continue to mushroom along the boulevard.) Had plans gone ahead Sharjah would have had 23 first-class hotels with 4,000 rooms. This has been cut back to 14 hotels and 2,000 rooms as financiers and hoteliers have registered the excess and backed off. The graciously designed Meridian Hotel, put up with private capital from Abu Dhabi, has just opened with an occupancy rate of less than 10 per cent. Overlooking the newly opened Marbella Club, a sister club to the popular establishment in Spain developed by Prince Alfonso of Hohenlohe, the gleaming tower of the Holiday Inn has less than 5 per cent genuine occupancy. On the other side of the Musandam Peninsula, where C. Rosh's giant container cranes have just been delivered for Khor Fakkan container port, progress on a partly completed 250-room hotel seems to have lost its former momentum, while row upon row of elegant holiday villas line the corniche round the bay, empty and sand-blown. Observers estimate that at present rates of project-abandonment the Emirate will stabilise with eight first-class hotels. The Grand Hotel, a converted ferry managed by Holiday Inn and moored in Sharjah Creek, closed last month and is up for sale.

Tourism in Sharjah, despite the attractions of Sharjah town and the eastern coastline, was always ill-conceived. The only exception may be the comfortable Marbella Club, which offers a particular style of relaxation and could attract members from Dubai and Abu Dhabi. In the UAE it is unrealistic to expect expatriates to drive to a neighbouring Emirate for weekends at \$100 a night for a bed. In the Gulf foreigners and Arabs alike tend to leave the region for vacations. There might be some scope for Gulf weekenders, but of all the Emirates only lower priced Fujairah can provide a real change of environment. Europeans and Americans cannot afford to holiday in the most expensive country in the world. To drive the point home, the UAE has never issued tourist visas, does not regard the sector as significant and has recently put a stop to transit visas. Talk of tourism by developers is the clearest example of arbitrarily constructing a framework and then searching for an economy to put inside.

To estimate the final totals of apartments and offices and their future occupancy is not easy because many blocks have been left unfinished, though one estimate is that if all buildings under construction were completed Sharjah would have 100,000 spare office and flat units. One of the more startling developments more than half way to completion is the Boorj Avenue complex, a twin row of 20 identical 11-storey office blocks designed to be the Wall Street of Sharjah. A local banker commented succinctly: "Completion is not currently the highest on the list of Government priorities." Nonetheless the complex will be finished late in 1979, but there seems scant prospect of Sharjah becoming a financial centre. The airport vies with Boorj at the head of the category of ill-chosen developments. Fifteen minutes out of town Sharjah

International Airport is at present a simple single story building complex more than adequate for the seven airlines which run passenger flights to Sharjah (Egyptair, Air France, Iranair, Syrian Arab Airlines, Gulf Air, Yemen Airways and Al Yamda — Ceylon Air having already suspended its service). On a typical morning one Gulf Air flight to Abu Dhabi and Bahrain had 17 passengers, though there is growing freight traffic. Notwithstanding the tranquillity which reigns for most of the 24 hours in the day, the contractor Khansaheb Gammon is pressing ahead with the \$21m grade-domed new terminal building, and are likely to complete it on schedule in October.

The Souk is the refinement of all shopping centres. One traveller described Sharjah Souk as "the most beautiful building in the Middle East after the Umayyad Mosque in Damascus." The Cyprus contractor Joannou and Paraskevalides has completed the \$13m complex, which was designed by White Young and Partners of the UK, and contains 904 shops. It resembles the 1951 Great Exhibition building, but is splendidly finished with graceful blue roofing crowned with the traditional four-sided wind towers of the region. These will provide through draught of air for the interior walkways. The proven natural air-conditioning can be complemented by air-conditioners in each shop, according to the wishes of the owners. Most of the old Souk was bulldozed to make way for the Boorj Avenue development, and 300 traders have already paid deposits on the shops. Grindlays Bank, which lent money for the project, believes all the stores will be filled, noting that there were 2,000 original applications. However, the opening date has been postponed from February this year to this month and may well be postponed again until after the month of Ramadan at the end of the summer.

Cancelled

The 1978 census results showed Sharjah with 80,000 inhabitants in its 1,000 square miles, including the eastern enclaves at Dibba, Khor Fakkan and Kalba. About half the population lives in Sharjah town and local residents believe that less than 20 per cent are native-born Sharjahs, although Government estimates are much higher. Budget spending in 1977 approached Dh 1bn, most of which was capital expenditure. The 1978 budget, thought to be of a similar size, is said to be financed 20 per cent from local resources and 80 per cent from federal funds.

The Emirate's own recurrent expenditure is dropping as Sheikh Sultan continues to hand over responsibility for local services to the federal Government. Sharjah, which in 1975 hauled down its flag and adopted the federal ensign, has handed over its police, national guard, customs, education, health and telecommunications to the UAE administration, saving, in the process, more than \$50m.

The main local revenue comes from the Mubarak offshore oil field, which is shared with Iran. Sharjah earns less than \$50m from the field, of which it gives 30 per cent to Umm al Quwain and 5 per cent to Ajman under a compromise worked out in 1971 to solve disputed claims to the field.

Consortium

Oil was first produced in July, 1974 by Crescent Petroleum Company, a consortium of U.S. companies including Buttes Gas and Oil, which operates the concession (25.7 per cent), Ashland Exploration (25 per cent), Skelly Oil (a subsidiary of Getty Oil) (35 per cent), Kerr McKee Corp. (12.5 per cent), City Services (10 per cent), and Juniper Petroleum (a Buttes subsidiary) (1.8 per

cent). Sharjah crude reserves in 1977 were estimated at 1.5m barrels and gas reserves at 4,500 bn. cubic feet (a non-commercial quantity). Crude oil, which first flowed at \$6,000 b/d and dropped steadily to \$3,000 b/d by 1977, is of excellent quality (36 api), with a sulphur content of only 0.8 per cent. This partly offsets the high production cost, which is nearly \$3 a barrel (due to the 14,000 ft reservoir depth). Most of the oil is sold to members of the consortium and exported to the U.S. The rest is exported to Japan under an agreement signed in 1974 with Japan Line.

In April this year Sheikh Sultan decided to raise income tax on crude from 55 to 77 per cent and the royalty from 12.5 to 14.5 per cent. According to the president of Buttes Gas and Oil, these rises involve payment of arrears by his company of \$2.75m and by the whole group of \$34. The Emir's decision has been contested by Crescent Petroleum, which has said it will resort to arbitration unless a compromise is found. Sheikh Sultan's decision to raise the oil taxes reflects Sharjah's acute shortage of liquidity. Term debt is so high on some industrial projects — the cement factory and paper factory — that they are sustaining serious losses on capital invested. The Government has been three-fourths behind on paying suppliers and up to six months behind with major contractors. The Emirate had borrowed by the end of last year \$120m in the international financial markets (unsubsidised by outside guarantees) when Abu Dhabi came to the rescue earlier this year with a guarantee for a \$200m loan from a consortium of banks led by BAIL. Despite the difficulties, it is pointed out in Sharjah's banking community that the Emirate has always met its international financial obligations on time.

But the building activity is not going to lead to as many bankruptcies as might be imagined. Much of the building, it is said, was paid for by locals using their own cash. Despite a general demand in the financial community — many local banks must be exposed on loans to property development companies — but the community seems to operate a brake, aware that no-one will benefit from bringing the entire house down. Some small-traders and construction sub-contractors have gone to the wall financially, particularly in cases where larger contractors have themselves gone bankrupt.

But despite the tragic waste of resources in Sharjah part of its original concept has been fulfilled. Sharjah has succeeded in attracting company headquarters. Among companies with offices are Tarnac, SM, Honeywell, Bechtel, Westinghouse, Armer Steel, BRCC, Wellcome Foundation, Bristol Helicopters and British Reinforced Concrete. Its industrial ambitions have been partially realised: there is some light industry in the town and more is on the way. The Sharjah Group, for example is developing a small industrial estate for which three factories are already agreed and a further three being sought, with the Sumer Group as consultants. The freight-handling complex may have too much capacity for the amount of trade it is dealing with at present, but Misha Khalid in Sharjah town stole a march on Dubai with the introduction of the UAE's first container berth and now has the first ro-ro berth in the UAE. The Khor Fakkan container port, due for completion in the autumn, should be successful and the airport is efficient and has spare capacity.

Sharjah still has immense attractions as a place to live. It is not just pleasant but inexpensive, both for accommodation and domestic help, considerably below Dubai, for which it makes an excellent dormitory town, only 20 minutes away by car. The Emirate is tackling the problem of power cuts. As part of its infrastructure programme (Sharjah was successful in establishing water supply, drains and electricity lines in the best planned sections of the city before the streets were laid and buildings constructed), the Emirate has installed new power units with two 21MW gas turbines and three 33MW diesel units in commission. Capacity is now more than adequate but severe problems with distribution remain.

Some of those who planned the new Sharjah (including Dr. Bart Paff) have now departed and the Emirate is concentrating on completing what is necessary to make what is still viable in the original concept work. There is no panic and not likely to be. Sharjah has a future, but it is on a smaller scale than the original dream.

M.T.

Soil Mechanics

International Geotechnical Consulting and Contracting Specialists with over 30 years' experience, are established in the United Arab Emirates

- Soils Investigations
- Ground Improvement
- Foundation Construction
- Foundation Design and Advice
- Hydrographic and Geophysical Surveys
- Grouting
- Groundwater Lowering

Soil Mechanics Gulf Company

PO Box 322 'Abu Dhabi' United Arab Emirates

Telephone Abu Dhabi 25912 Telex 2867 SMGULF

Soil Mechanics Limited

Foundation House, Eastern Road

Bracknell, Berkshire RG12 2UZ, United Kingdom

Telephone Bracknell (0344) 24567

Telex 847253 SMERN G Cables Edaphos Bracknell Berks

BANCO URQUIJO

The first Spanish Bank to
open an operational office
in the Middle East

Lulu Street
P.O. Box 6308
Abu Dhabi
UNITED ARAB EMIRATES
Tel: 26400
Telex: 2930 URQUIT AH
3344 URQUFX AH

P. K. HEALEY—Vice President and General Manager

بنك أوركيخو

أول فرع عامل للبنوك
الإسبانية في الشرق الأوسط

شارع لولو
ص.ب. ٦٣٠٨
أبوظبي -
الإمارات العربية المتحدة
تيلفون: ٢٦٤٠٠
تيلكس: أوركيك أتش ٢٩٣٠
هرفيا: أوركيخو

HEAD OFFICE

MADRID

Alcala, 47
Tels: 232 60 00 y 22 65 55
Telex: 27256 y 27602

INTERNATIONAL DIVISION

Avda. Jose Antonio, 4
Tel: 404 20 53

FOREIGN OFFICES

LONDON

Banco Urquijo Hispano
Americano Ltd.
8 Laurence Pountney Hill
London EC4R 0BE
Tel: 283 7951
Telex: 887256

NEW YORK

NEW YORK AGENCY

One Liberty Plaza—45th Fl.
New York, NY 10006
Tel: 212-791 95 00
Telex: WU11-620506
ITT-425760
RCA-235095

ZURICH

URQUIJO FINANZ AG
Ballenstrasse, 5 CH-8008
Zurich
Tel: 34 26 83-47 62 13
Telex: 57760/1

FRANKFURT

Bockenheimer Landstrasse, 45
6000 Frankfurt/Main
Tel: 726343/4
Telex: 416255

MONTREAL

URQUIJO CANADA INC.

Suite 2042, Sun Life Building
Montreal, P.Q. H3B 2x7
Tel: (514) 879-1139

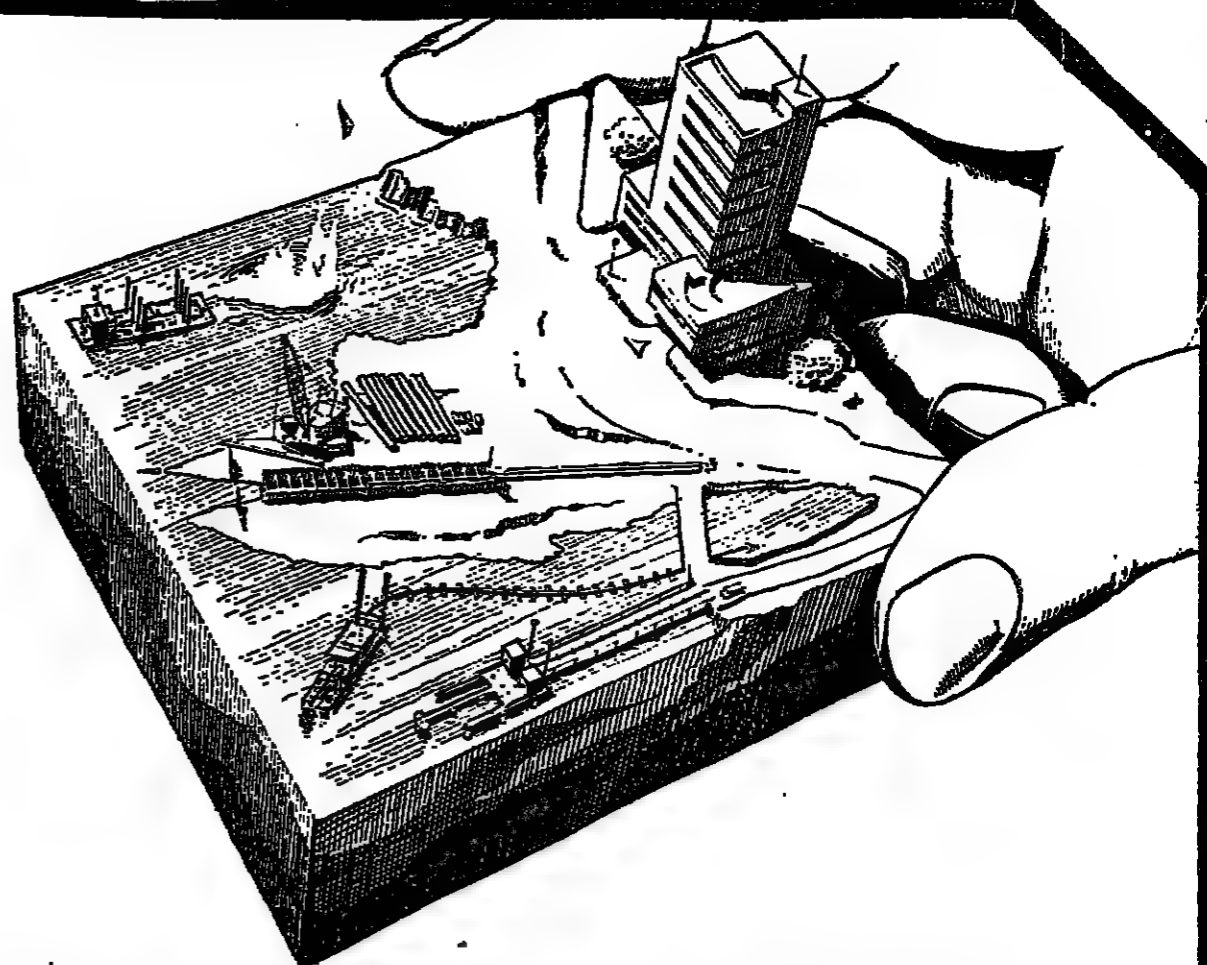
TEHERAN

311 Building (provisional)
193 Iran-e-Novin Ave
Tel: 65 19 30-65 19 70
Telex: 215046 WMOC IR
215127 WALT IR

HONG KONG

Banco Urquijo Hispano
Americano Limited
Bank of Canton Building,
16th Floor
6 Des Voeux Road Central
Tel: 5-251163
Telex: 65516 BUHAL HXO

هكذا من الأصل



RE-SHAPING LAND AND SEA

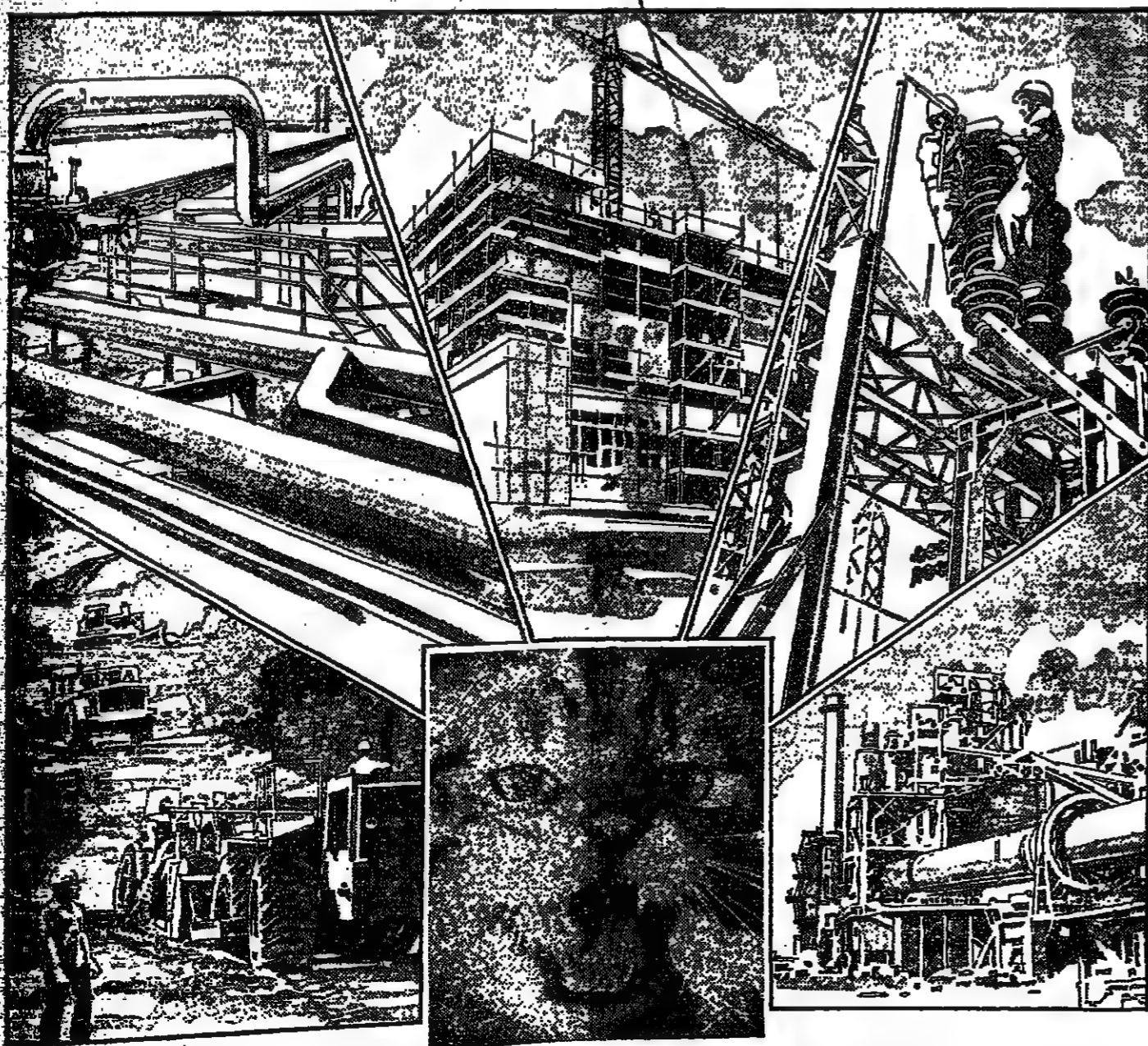
Bos Kalls Westminster has been working in the Middle East for the last forty years. Today BKW has a work force of over 7,500 personnel and is proud of its history of continuous international expansion and development. The Group's specialist activities include civil and marine engineering, hydraulic works and dredging, land and submarine pipeline construction, railway

engineering, rock drilling and blasting, oil terminals and off-shore services — all supported by full research and survey facilities. BKW is now a leader in international contracting, offering clients throughout the world the reliable and attentive service expected of a technically and soundly based group.

BKW Middle East Ltd

P.O. Box 5457, Doha, Qatar. Tel: 010 974 325524. Telex: 4082

In association with:
Oasis Survey Projects Ltd., P.O. Box 4408, Doha, Qatar. Tel: Doha 822408. Tlx: 4052 Oasis DH
Bos Kalls Westminster Overseas Ltd., P.O. Box 3188, Doha, Qatar. Tel: Doha 26828. Tlx: 4384 Dredge DH
AND P.O. Box 1168, Sharjah, United Arab Emirates. Tel: 23473/23563. Tlx: 8102
Rock Fall (Middle East) Ltd., P.O. Box 8306, Doha, Qatar. Tel: 29950. Tlx: 4404 DH
Members of the Royal Bos Kalls Westminster Group N.V.



Civil engineering. Mechanical construction. Pipelines. Electrical construction and instrumentation. Marine work.

CATability. It's growing all the time.

In the Middle East and Africa, long experience, technical ability—and especially local know-how—have earned C.A.T. a reputation for completing the most demanding contracts on time. We've recently extended our capacity for turnkey projects to include electrical

construction and instrumentation, and marine work. Now, CATability means even more than before.

CAT & MOTHERCAT
P.O. Box 11-1036, Beirut, Lebanon. Telex: CAT 20616 LE
P.O. Box 333, Al-Khobar, Saudi Arabia. Telex: 67023
P.O. Box 121, Sharjah, U.A.E. Telex: 8014 CAT SH
c/o Incotex Ltd., 1 Gt. Cumberland Place, London W1H 7AL. Telex: 21138

سعيد بن احمد العتية وولده

SAEED BIN AHMED AL-OTAIBA & SON

ONE OF THE FOREMOST ARAB COMPANIES
IN THE
U.A.E.—ABU DHABI

Your Business is well cared for by us

We can offer you:—

—Representation
—Sponsorship—Agency

With possibilities in:—

—Civil Construction
—Mechanical & Electrical
—Instrumentation
—Safety & Fire
—Transport/Catering/Shipping

Supply Facilities in:—

—High Quality Vehicles
—Building Materials
—Offices & Accommodation
—Fully equipped office facilities
—Co-ordinating Services
—Government Formalities Services i.e.
Visas, Permits, Registration, etc.

FOR SUCCESSFUL BUSINESS IN U.A.E.

LET US BE YOUR
BACK-UP SERVICE

Contact: SAEED BIN AHMED AL OTAIBA & SON
Trading & General Service Co.
P.O. Box 467, Abu Dhabi.
Tel. 41289, 41548, 25742—Telex 2329 SAMTAIBA AH
Cable: SAEEDOTAIBA

UNITED ARAB EMIRATES XIV

RAS AL KHAIMAH

Fond of an independent line

HARRISONS
(DUBAI)
LIMITED

Firmly established
in the field of office and
domestic furniture retailing,
planning, design, decor and
all aspects of contract
furnishing.

P.O. BOX 655, DUBAI, UNITED ARAB EMIRATES
TEL: JOHN SUTHERLAND, DUBAI 470762 TELEX: 5973

LAHEJ
HARRISONS
CLEANING SERVICES

A company managed
by Harrissons (Dubai) Limited.
Lahej Harrissons offers
a comprehensive range of
contract cleaning services.

HARRISONS
(LONDON)
LIMITED

8, MALTRAVERS STREET, LONDON, WC2R 3EQ
TEL: IAN MACKENZIE, 01-240 5211 TELEX: 24514



Williams Hudson Group

RAS AL KHAIMAH has a history of dogged independence dating back to the days when it was capital of the Pirate Coast. The Qasimi tribe controlled navigation in the Gulf, a state of affairs which ended only in 1819 when, after years of skirmishing and sea battles with allcomers to enforce tolls (the British called it piracy), a British expeditionary force captured Ras al Khaimah and razed it to the ground. Ironically it was a Ras al Khaimah seafarer, Ahmed Ibn Majid, who gave Europeans a political interest in the area when he showed the Portuguese explorer Vasco da Gama the sea route to India.

The Qasimis stay true to their history. Sheikh Saqr Bin Muhammed al Qasimi, the ruler, held hopes of going it alone when the British pulled out of the Gulf. What tempted him was an indication that Ras al Khaimah might have oil in commercial quantities. The search for oil offshore caused him a major problem last year when Oman unexpectedly claimed sovereignty over Ras al Khaimah's northern coast. His difficulties were aggravated by his relative isolation within the UAE and steady bickering with the federal Government. In 1972, two months after the federation was formed, he accepted the political necessity of joining the UAE and last year, after Oman's announcement, he was obliged to turn to federal Government to fight the claim.

Sheikh Saqr has reason to be sensitive about territorial disputes, having lost the islands of Greater and Lesser Tumbi which were occupied by Iran when Britain withdrew in 1971. He stood very much alone and saw his own Qasimi tribesmen ejected with considerable force from their home. The fresh territorial threat was triggered last year by drilling activity on the northernmost fringe of Ras al Khaimah's territory. Oman announced its claim to all territory north of Rams. The matter is being handled through diplomatic channels in Abu Dhabi and has cooled now that it is clear that oil is not to be found

in commercial quantities in the disputed area.

Until oil was discovered in the region, borders had little meaning in the Musandam Peninsula. They were drawn in 1952 by two British officials who simply travelled the area asking tribesmen to whom they owed allegiance. In 1971 when the Communist threat was uppermost in people's thoughts in the Gulf, the British were worried by troublesome tribes in the north of the peninsula. Bulkha was given to Oman but its inhabitants left the village and settled in Ras al Khaimah. Since then Sheikh Saqr has picked away with minor claims on the Oman border. More significantly he offered and actually issued Ras al Khaimah passports to hundreds of tribesmen who left the mountains of

Oman's Musandam Province to work in Ras al Khaimah.

Ras al Khaimah has always had great hopes of finding oil. In 1970 Union Oil of California, which had held Ras al Khaimah's offshore concession since 1967, was sufficiently optimistic about a deep show of oil to bring in what was then one of the biggest drilling platforms in the world. It turned out that the oil was not in commercial quantities. Another operator, Vitol, from the Netherlands, took over the operation but it too considered production would be uneconomic. It found 4,000 barrels a day below 14,000 ft. Deutsche Schacht took over as chief operator of a new concession and last year found 6,500 b/d. Again it was not a commercial proposition. The company is now intending to pull out.

Because of persistent hopes of becoming an oil producer, and because Sheikh Saqr has successfully attracted assistance and investment from other states, notably Saudi Arabia and Kuwait, the Emirate has pushed ahead with development on a grander scale than its resources would appear to justify, even though these are quite substantial: with relatively high rainfall the Emirate has agricultural wealth; it has valuable rock, aggregate and other mineral resources; it has a relatively large indigenous population and, by Gulf standards, an impressive level of education. The Emirate has produced several of the federation's most able men.

Farming

The Emirate has a population of about 60,000, of whom half are citizens of Ras al Khaimah (many of whom live by farming and fishing). The Emirate is the biggest agricultural producer in the country and is a significant exporter of vegetables to the other Emirates. Unfortunately marketing is not sophisticated, and Ras al Khaimah buys many of its own vegetables re-exported from Dubai where the merchants buy up all Ras al Khaimah's farm produce in advance. One exception is the herd of 300 Freisian cows at Digdaga which have now become profitable. This followed successful efforts to become self sufficient in feed by growing Alfalfa. Also at Digdaga is a federal farm project for modern vegetable production which was started in 1954. It is run in co-operation with the FAO.

Industrial activity includes McDermott's Steel rolling plant, a factory producing 220,000 tons a year of sulphur-resistant cement, a building block factory and a limestone quarry which exports high quality stone from Khor Khwair to Dammam and Jubail in Saudi Arabia. The cement plant is owned by Union Cement Company and operated by Norcem of Norway. The Ras al Khaimah Steel Corporation which used scrap imported from Iran, went bust in 1977. A government-built fish meal plant completed only last year closed in February, 1978 when it was realised that the right sort of fish were not available in sufficient quantities. The six vessels of the company are up for sale. Meanwhile the Korean company Dong Ah is finishing a new fishing harbour north of Sham. About one-fifth of the local labour force is employed in fishing.

The Government is financing and building a hospital, office blocks, two power stations and two hotels. A new seven berth deepwater port has almost been completed at Khor Khwair (the vital functions were finished in December, 1977) at a cost of

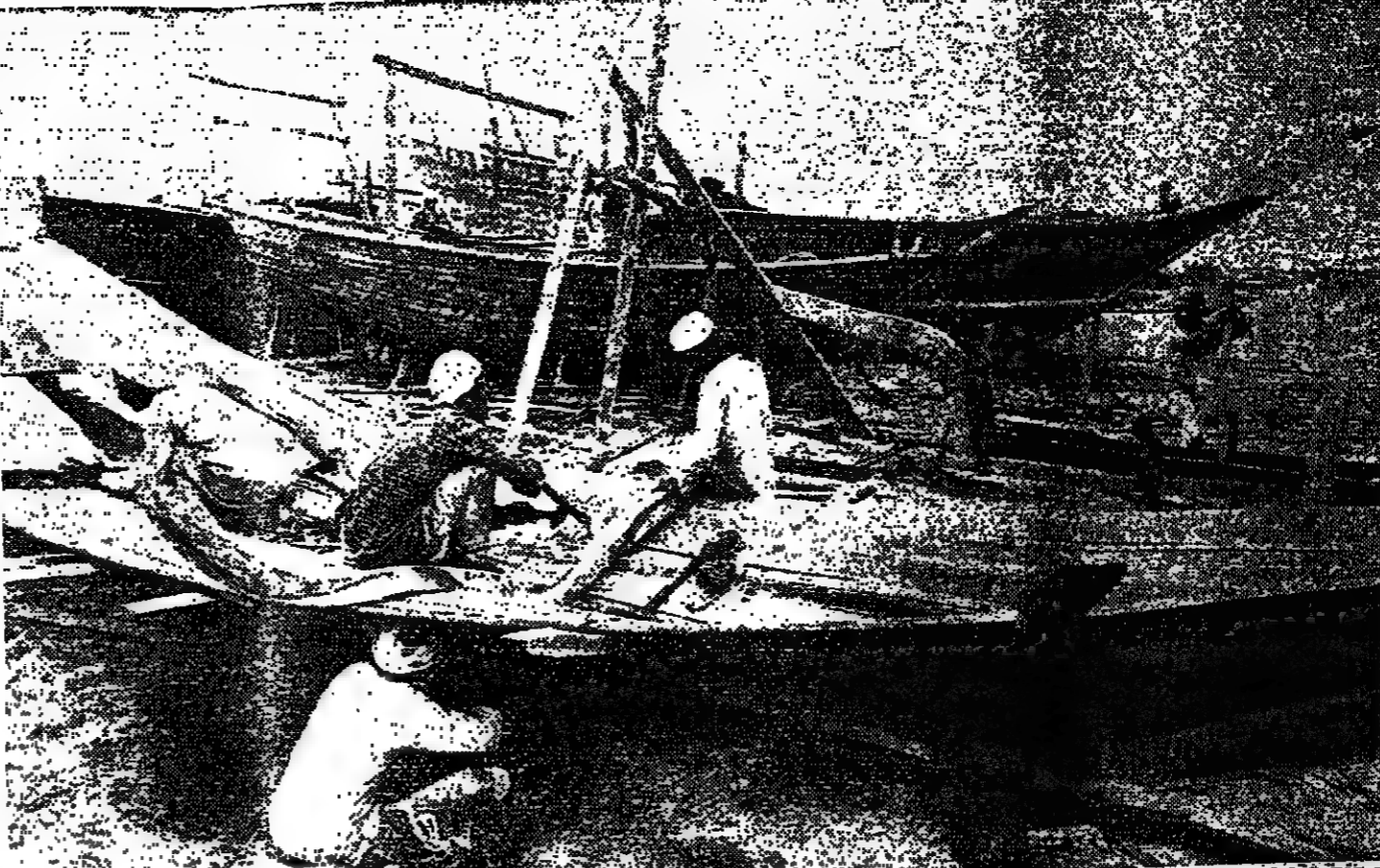
\$100m. Hamranieh Airport, instead of taking on some of the capital and located on the plateau, opened two years ago. The airport is not expensive to run but neither does it have much traffic (about 10 scheduled passenger flights a week). Last year Siemens of West Germany completed a \$8.5m earth satellite station which opened earlier this year, operated by Cable and Wire-

less. It is linked to the Indian Ocean Intelsat IV, through which the Ras al Khaimah communication authority (RAKTA) has almost 1,000 channels available for simultaneous use. But RAKTA functions totally separately from the UAE federal telecommunications company, Emirate, so much so that it is easier to call London and New York from Ras al Khaimah than it is Sharjah and Dubai, which have to be connected through manual operator exchanges. Last year RAKTA had 700 telephone subscribers.

In the past Sheikh Saqr was able to turn away from what he regarded as federal encroachments on his independence by approaching King Faisal of Saudi Arabia, who usually gave him a sympathetic hearing out of motives that included distrust of Abu Dhabi and awareness of Ras al Khaimah's potentially strategic position at the entrance to the Gulf. It was the Saudis who financed Ras al Khaimah's first road and the King was usually willing to provide money in an emergency. The Saudi connection, which continues, led to the closure two years ago of the casino in the Ras al Khaimah Hotel, which used to generate substantial income from gambling. Sheikh Saqr was obliged to submit to a proper interpretation of the Koranic injunction against gambling in return for assistance.

While Sheikh Saqr has looked to Riyadh for aid he has also sought investment from other Arab countries to compensate for the reluctance of the federal Government to support his projects. Kuwait will become the largest single foreign investor in Ras al Khaimah in planned projects materialise. In May, 1978, Sheikh Saqr signed agreements for a cement plant, an alkali and lime factory, and an oil refinery. A variety of Kuwaiti interests have agreed to finance the cement plant, which will produce 500,000 tons a year when its three stages are completed. All the output is to be exported to Kuwait. It will be built near the port in Khor Khwair alongside the alkali plant. The Ras al Khaimah Noora Company is expected to produce 150,000 tons of alkali a year.

The surprising development was the agreement to build an oil refinery, signed with Kuwaiti interests and Kellogg, which is doing a feasibility study. The refinery, which will presumably import crude from Kuwait, is to produce 100,000 b/d for local consumption and export. The price for Ras al Khaimah's style of development has been the accumulation of outstanding loans. Financial difficulties began last year after the UAE banking crisis. Ras al Khaimah had negotiated successfully with the UAE Currency Board for a loan of Dh1bn, repayable over eight years. When the head of the Currency Board left office and the credit squeeze imposed the loan was withdrawn, much to Sheikh Saqr's bitter disappointment and financial discomfort. Financial stringency has led to modification of the design of Khor Khwair Port, according to reliable sources. It will now make do with graded surfaces



Most of Ras al Khaimah's population live by farming and fishing.

The overlap between government funds and those of the ruling family is so great that distinctions between them are meaningless. Two hotels are being built, one by the Government and the other by the Crown Prince, Sheikh Khalid. The Ibn Majid Hotel has 140 rooms and is nearly completed. It is owned by Sheikh Khalid in partnership with Jasim Darwish, a local businessman and head of the municipality. The London company Landmark Hotels has the management contract and hopes to open in September. But the liquidity shortage in the Emirate is such that the owners are trying to borrow \$5m on the \$10m hotel (so far without success). Landmark believes it can make a profit on a 50 per cent occupancy which is about the current rate of the Ras al Khaimah hotel, the only one open in the Emirate.

Reichel of U.S. is building the 250 room International Hotel for Ras al Khaimah Government and the same cost problem applies. The hotel is still a year from completion.

Asked about Ras al Khaimah's financial problems, Sheikh Saqr said he had no alternative but to continue borrowing from the financial markets. He was adamant that such a move would attract neither Arab nor Western investment. He said the political price of financial independence was high. Ras al Khaimah would attract investment from the West, he said. There are no alternative sources of liquidity, he said, only ways to borrow from the commercial market and export more material. He said the policy will follow the policy of the federation. In this way, he said, Ras al Khaimah will be able to develop its own resources for development.

Three good reasons why
Astran International
should be your
forwarding choice to
The Middle East

- We've been specialising solely in The Middle East for nearly 50 years. In fact we pioneered direct overseas services to the area back in 1933.
- Over the past 2 years we have made a detailed study of the developing transport options available between The UK, Western Europe and The Middle East. We've put men into key areas of The Middle East to follow and assess test shipments by new routes and to develop our own facilities including a vehicle fleet based in The Gulf.
- Our Management team has probably got more hard-earned years of Middle East freighting experience than any other company in the UK.

Call our
Export Shipping Department
on West Malling (0732) 844444

ASTRAN INTERNATIONAL GROUP

At home in The Middle East
Middle East Freight Terminal, Addington Rd, West Malling, Kent
Tel: (0732) 844444, Telex: 24044

شركة التنمية الحديثة للمقاولات



BUILDING CONTRACTORS AND SUPPLIERS OF
FURNITURE
ELEVATORS
KITCHEN FITMENTS

P.O. BOX 3742 ABU DHABI UAE
TEL 44181 TELEX 2927 AH DEVELP

RAIS HASSAN SAADI
& CO.

P.O. Box No. 7
DUBAI (United Arab Emirates)
Phone: 431754, 431752, 432084, 431669
Cable: RAISHASSAN—Dubai
Telex: 5522 RAIS DB
Shipping Lighterage
Tanker Services Insurance
Clearing and Forwarding Agents
General Merchants
Abu Dhabi Office
P.O. Box No. 465 Abu Dhabi
Phone: 22929 (United Arab Emirates)
Cable: RAISHASSAN—ABU DHABI
Telex: 2477 RAIS AH

Abdul Rahim E. Galadari & Brothers

(OWNED BY ABDUL RAHIM E. GALADARI AND ABDUL LATIF E. GALADARI)

more than a century
of business knowledge...

DEDICATED TO THE GROWTH OF THE
UNITED ARAB EMIRATES

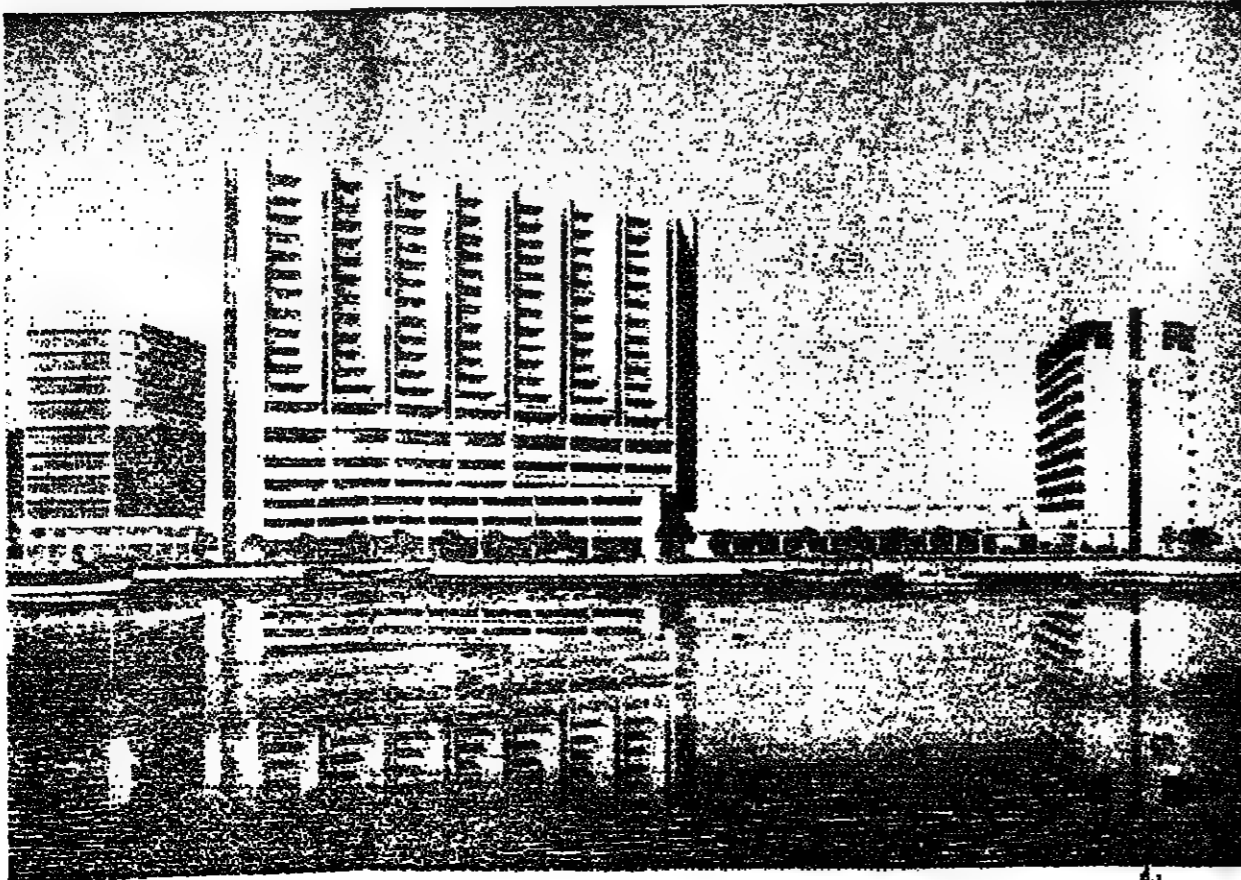
Abdul Rahim E. Galadari & Brothers, headquartered in Dubai, is a modern expansion of a centuries old family tradition in the world of commerce. Today, it is a multi-dimensional enterprise actively engaged in Banking ... Construction ... Hotel development ... Engineering ... Contracting ... Real Estate development ... Trading ... Manufacturing and Distribution ...

With the Emirates assuming greater recognition as the centre of trade and commerce in the Arabian Peninsula, A. R. E. Galadari & Brothers takes on an increasing responsibility as one of the most diversified business organizations in the U.A.E.

As major partners in multi-national projects with American, British, Dutch, French, West German and Japanese firms; and having more than 4,000 employees, plus an experienced international managerial staff, drawn from various professions, Abdul Rahim E. Galadari & Brothers are committed to the future growth of the area.

Abdul Rahim E. Galadari & Brothers

POST OFFICE BOX 193 DUBAI, UNITED ARAB EMIRATES.
TELEPHONE: 654000 / TELEX: GABROS DB 5443 / CABLE: ALMUNTADA
NEW YORK: (212) 688-6920



UNITED ARAB EMIRATES XV

THE NORTHERN EMIRATES

A trio of rugged outposts

THE EMIRATES of Fujairah, Umm al Quwain and Ajman are smaller, poorer and less populous than their fellow Emirates and give closer attention to tribal ties. Fujairah has an economy based on agriculture and fishing in which many villages have only been connected by tarmac roads to Fujairah town in the last two years and the Emirate itself only joined to the rest of the UAE by road in 1975. Indeed, not until 1952 was the Emirate recognised as a separate entity by the British after consultation with other tribal rulers. Umm al Quwain has fewer resources onshore but it has recently discovered gas and receives nearly a third of Sharjah's oil revenue. Ajman's land-area is so limited that it is regarded as too small an area on which even to prospect for hydrocarbons.

Here the federal Government's activities have been most obvious in providing roads, telecommunications, education, electricity and other

services, though there are few large-scale federal projects and the implementation rate is often slow. Each Emirate is anyway anxious to make the most of its own resources.

Fujairah

Fujairah is the Emirate most divorced from the popular image of the oil-producing city-state. Sheikh Hamad Bin Mohamed al Sharqi, youngest of the UAE rulers and a graduate of Hendon Police College in London, heads the 27,000-strong Al Sharqi tribe. The people are not confined within normally defined borders but are spread over 450 square miles of hills, valleys and coastal plain in settlements located in defiance of attempts by modern mapmakers to regularise boundaries. For Sheikh Hamad's administrators to visit all his subjects they must not only cross territory belonging to Sharjah and Ras al Khaimah but in one case follow the coast road through

Oman before doubling back inland.

As a non oil producer (Reserve Oil and Gas is exploring, so far without success), Fujairah is dependent on federal funds for development, which is beginning from scratch with infrastructural projects. When the road network, the port and power grid are completed there is hope for modest and balanced economic development because Fujairah has certain advantages. These are: a sedentary population (mainly farmers and fishermen); reasonable soil, heavier rainfall than elsewhere in the UAE and agricultural potential; and mineral potential yet to be properly assessed. Small-scale manufacturing and production based on local resources is beginning. Fujairah also hopes to use its more varied environment to encourage specialised tourism like the week-end inter-Emirate tourism which is already filling the newly opened Hilton Hotel two days a week.

The greatest change to life and economy in Fujairah came with the completion of the road which brought Dibba and the northern communities within easy reach of the capital, a journey which until two years ago was measured in hours. Fujairah is now only two hours by road from Dubai and the Emirate's internal network will be completed this year when a final stretch through the mountains is tarred. It is the road system which has facilitated more efficient marketing and export of farm produce and fish. It has also made possible the building near Dibba of a marble and tile factory, and a mineral water bottling plant due to open later this year, with an eventual capacity of 66,000 bottles a day.

The next great change will come with the construction of Fujairah port, an £80m federally funded project. Work is due to begin shortly when the best of 40 tenders is selected. The contract is for two breakwaters, construction

of 11 berths and dredging to 11 metres. As an insurance against future difficulties on the other side of the Hormuz Straits, provision is included for two oil tanker berths.

Plans to build an airport seem to have been shelved, apparently because federal planning is developing more potency in dealing with the poorer Emirates like Fujairah. Suspension of the project seems likely to preserve the down to earth charm of Fujairah, which so far has avoided the trap of white elephant construction.

Plans for power were made before the shelving of the airport and the scaling down of other projects (the Ruler of Abu Dhabi cancelled an offer of a 320-bed hospital, suggesting instead a smaller version more realistically tailored to local needs).

Two diesel stations in Fujairah town and Qidfa currently produce 16 MW of electricity. By the end of this year four 8 MW gas turbines will be installed, more than enough to handle the port, the new hospital and new sewage plant when they are built. The serious problem is distributing power to Fujairah's 48 communities. Fifteen villages are connected to the grid and 13 more will be added this year, but the mountainous terrain and isolation of the villages makes a full grid very uneconomical.

In an effort to keep people at work in traditional jobs the Government subsidises farming and fishing, with grants for fertilisers, seeds, pumps, engines and technical help. The sectors are important in the tiny economy. Fujairah's 1,700 farms produced 4,300 tons of vegetables for sale in 1976-77 as well as large quantities of fruit (citrus, dates, mangoes and guava). Meat and milk production is limited to local consumption and is still inadequate. A feasibility study is being done to investigate poultry and egg production for the local market.

About one third of farm produce is exported to Dubai and the other Emirates. The true agricultural potential will not be known until a water survey is done. However, a major step was taken last year when Joannou and Paraskevalides started a modern farm in conjunction with Fujairah Government. The Fujairah Farm Company now produces tomatoes, potatoes and a wide variety of vegetables for the local and export market.

A parallel attempt to modernise the fishing industry is also taking place. The Fujairah catch is large enough to satisfy the local market, leave substantial quantities for export to the western Emirates and supply local needs for fertiliser. Along the coast fishermen lay out tens of thousands of tiny fish for three days in the sun, which causes sufficient decomposition for them to be applied directly to the land.

Fujairah will never be a manufacturing centre but it is encouraging small-scale development of local resources. The bottling factory for mineral water is one example, and the Fujairah marble and tile factory in Dibba, owned by the ruler and just starting production is another. Fujairah possesses marble, limestone, gypsum, onyx, chromite, copper, sulphur

and asbestos, but the full commercial potential of these will not be known until Hunting Surveys finishes a basic study of Fujairah as part of an overall survey of UAE mineral resources.

Fujairah has escaped the wild construction boom — most buildings are single-storey and the new Hilton is only three floors high. The new hotel stands virtually empty most of the week, as does a Lebanese-managed motel up the coast. But they fill up at weekends as people living in Dubai and Sharjah drive east to get away from the desert-skyscraper landscape of the west. Plans for a tourist hotel and villa complex known as the Garden City project, which is still thought of locally as a viable possibility, seem unrealistic unless it is tailored to the weekend trade. Only a few miles away in Khor Fakkan, part of Sharjah, which has a beautiful bay, holiday-type villas on the sea stand ominously empty.

Umm al Quwain

Umm al Quwain is tiny — a mere 300 square miles. Isolated at the end of a spit, its creek partially silted up, the town escaped the worst excesses of property development and speculation which struck elsewhere along the west coast. The Emirate is run by Sheikh Ahmed bin Rashid al Mualla (who has been the Emir since 1929 but is effectively in retirement). The Emirate receives a 30 per cent share of Sharjah's petroleum income from Abu Musa. So far exploration for oil has been unsuccessful but Umm al Quwain recently discovered gas. Its 60m cubic feet per day output would not normally be enough for commercial exploitation, but it is negotiating with Dubai which wants to purchase the gas and pipe it to the Jebel Ali industrial complex as part of the feedstock for the aluminium works.

The major project in Umm al Quwain is the construction of the sea-wall and development and dredging of the harbour. The current £7.5m stage of creek development is being carried out by Lilley International, which is completing the wharfage and dredging the harbour to five metres, which will permit berthing of the largest dhows and small cargo vessels. The other important infrastructural project is a £15m turnkey power station with three gas turbines producing 30 MW of electricity and 3m gallons a day of water from desalination. A hospital and government building are planned. Sheikh Rashid has ordered a six-storey complex of shops, offices and flats and the Ruler (his father) is pursuing plans to build a £8m asbestos cement factory.

Ajman

Ajman just 10 minutes drive from Sharjah, has the distinction of its Emir being the world's longest established ruler. Sheikh Rashid bin Humayd al Nu'aymi took power in 1828, and although his son, Sheikh Humayd, conducts most affairs of State, this white-bearded swashbuckling figure, who never moves about unarmed

and regales visitors with splendid gory tales of the not so distant past, remains titular head of the Emirate.

His son, Sheikh Humayd, however, has come fully to terms with the modern era and with the position as the smallest, poorest, oil deficient Emirate. Ajman has about 10,000 inhabitants, including the people of Manama (on the central Sharjah-Fujairah border) and Masfut (30 miles south west of Fujairah town) and just 100 sq miles of territory. Sheikh Humayd is totally committed to federalism and does not regard Ajman as an independent entity.

Ajman's unpublished budget is probably about Dh 250m. It receives 5 per cent of Sharjah's Abu Musa oil receipts, while the rest of its revenue comes from federal funds and allocations given personally by Sheikh Zaid of Abu Dhabi. It is almost entirely a service economy, though there is some dhow building associated with the small fishing community, and the 300 people of Masfut have sufficient water from wells for virtually subsistent agriculture. There is also a mineral water bottling plant called Gulf Water at Masfut, which started in 1976, and a quarry for marble.

One thousand Ajmanis are employed in some capacity by the Government, including those working for Ajman Heavy Industries, which owns the dry dock with Mitsui Ocean Engineering Development company. The Japanese company owns 20 per cent of the project, which started work in 1976 and is considered the blue chip of Ajman development. The creek is now in the fourth stage of a Dh 32m dredging and development programme being done by Lilley International. By the end of 1978 the creek will take vessels of 2,000 tons (with 5,000 tonnes at high tide). Industrial hopes include proposals for paper and cement factories, projects in which the Ajman Government intends to take a minority shareholding. A realistic note was struck with the recent abandonment of plans for a 400,000 tons p.a. fishmeal plant. Office and apartment blocks are under construction, though not so many as to cause major financial difficulties if they are not filled.

The Government is now preparing itself to relaunch (under another name) its bank, the Ajman Arab Bank, which went under last year with Dh 70m outstanding. To exercise this ghost the proposed new bank is intended to have a fresh title, and new participants, including the governments of Libya, Algeria and Kuwait, as well as the National Bank of Kuwait and UAE National Bank.

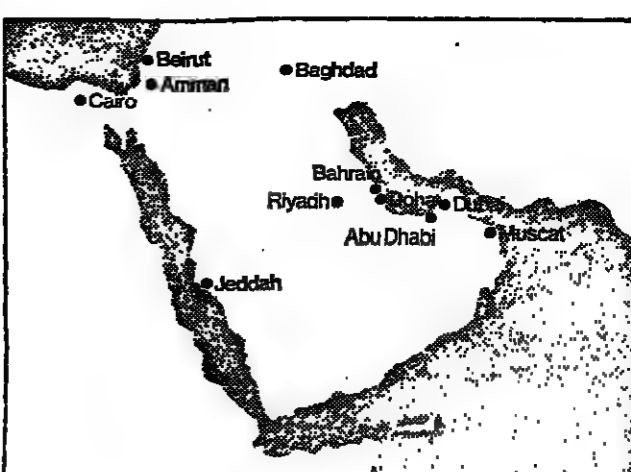
Ajman has borrowed twice on the European commercial market taking a total of \$7m in loans arranged by Morgan Grenfell for port development and \$6m in a single loan agreed last month from Grindlay's Bank.

The most modern enterprise in Ajman is the Laboratory complex of United Colour Film, which has the best operation of its kind in the region. It processes still and cine film from all over the Emirates and has the most modern film and sound studios available in the UAE.

M.T.

Wardley Middle East Limited

A Member of The Hongkong Bank Group
Merchant Banking Services
throughout the Middle East



Raising of Capital • Project Finance
Corporate Advice
Joint Ventures • Acquisitions

Wardley Middle East Limited

B.B.M.E. Building
P.O. Box 4604
Riga-Deira, Dubai
United Arab Emirates
Telephone: Dubai 221126,
Telex: 5806 Wardub,
Cables: Wardley Dubai

FREIGHT TO THE U.A.E.

When you have to be sure . . .

- ★ Driver accompanied express overland service to the U.A.E. Full loads on demand and part loads every ten days. Average transit time 16 days. Full loads 20 tonnes 65 cumt anywhere U.K. to U.A.E.—£5,500. Groupage £300 w/m.
- ★ Where speed is not so essential container groupage services are available at a rate of £65 w/m with a transit time of about 35 days.

... contact the reliable one

Falcongate



Deck Road South
Brentford, U.K.
Tel: 01-834 7288
Telex: 637261

By North Quay
Great Yarmouth
Norfolk
Tel: 39617/2/3
Telex: 975066

DRIVER ACCOMPANIED OVERLAND GROUPAGE SERVICES TO IRAQ, KUWAIT, SAUDI ARABIA, UAE, QATAR EVERY WEEK FROM U.K., SWEDEN, NORWAY AND HOLLAND.

TRANDEX

The professional freight forwarding Agents



YOUR EXPORTS...

TRANDEX FREIGHT... WE GET CARGO MOVING... FAST
TRANDEX PERISH... CONSULAR BANKING, CUSTOMS DOCUMENTATION
TRANDEX PORT... COMPREHENSIVE RANGE OF EXPORT SERVICES
TRANDEX FREIGHT... ENTRUST YOUR CARGO MOVEMENTS TO US

OUR BUSINESS

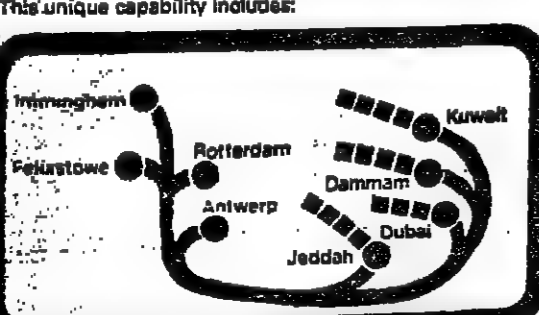
For further details write or phone:
Trandex International Ltd., 33 Thurloe Sq., London SW7 2SD
01-584 2531 (20 lines) Telex: 917927 TRANDEX G
Cables: FRATEOUT LONDON SW3

FOSS



...better, faster, weekly RO-RO services from UK/Europe to the MIDDLE EAST

FOSS — is the Market Leader in Roll-on, Roll-off liner shipping services to the Middle East offering an unrivalled combination of strength, mobile and non mobile cargo handling experience, and in-depth knowledge of Middle East ports and markets. This unique capability includes:



Sales, enquiries, bookings etc., to
UK General Agents FOSS Shipping Limited
Piercy House, 7 Copthall Avenue,
LONDON EC2 2EL Tel: 01-828 3361 Telex: 889158
or 884626
Also to:
81-85 New Street, Birmingham. Tel: 021-843 2889 &
021-843 3408 Telex: 337028
Glover Brothers (London) Ltd., 8-9 New Street,
Birmingham, LONDON EC2M 4UY. Tel: 01-623 1311
Telex: 886907
Port Agents: Birmingham
Tor Line Ltd., P.O. Box 40, Manby Road, South
Killingbourne, Kent. Tel: 01-623 1311
Port Agents: Felixstowe
Fred Olsen Ltd., Anzani House, Trinity Avenue,
Felixstowe, Suffolk. IP11 8XP. Tel: 038-42 78344,
Telex: 987219

Oil, coal,
natural gas
and their derivatives
are the main basis of the
five divisions within Lurgi
Kohle und Mineralöltechnik:
Coal technology, gas technology,
refinery construction, petrochemistry
and fiber technology. Lurgi provides
the processes, plants and equipment for making
the most of a valuable commodity.

For instance, from oil: crude fractions,
olefins, aromatics, intermediates for the plastic and detergents industry. For instance, from coal: synthetic fuels, chemical raw materials and methanol.
Or the equipment for the cleaning of natural gas or the producing of fibers and non-wovens...

Lurgi know-how oils the wheels of modern technology.

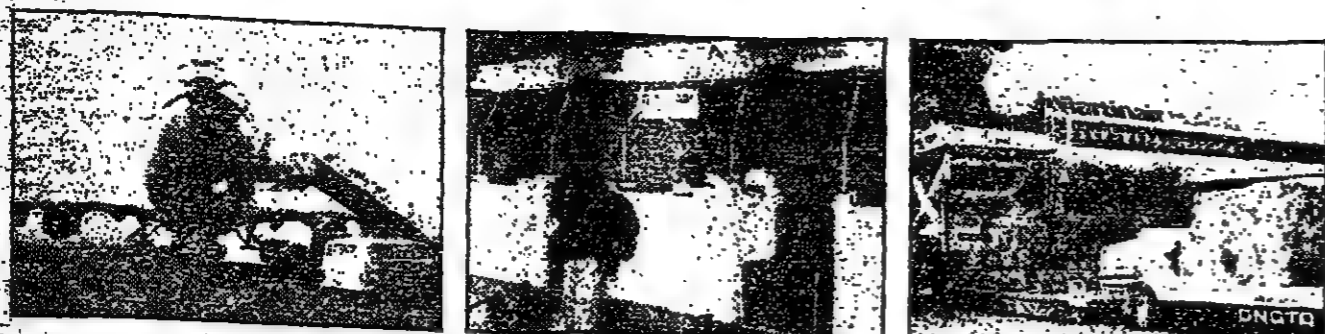
LURGI

...the plants are
built by Lurgi

D-6900 Frankfurt (Main) 2 • Federal Republic of Germany • F.O.B. 1978
Amsterdam • Bruxelles • Caracas • Johannesburg • London • Madrid • Melbourne
Mexico D.F. • Milano • New Delhi • New York • Paris • Rio de Janeiro • Stockholm
Tehran • Tokyo • Toronto • Wien • Zürich

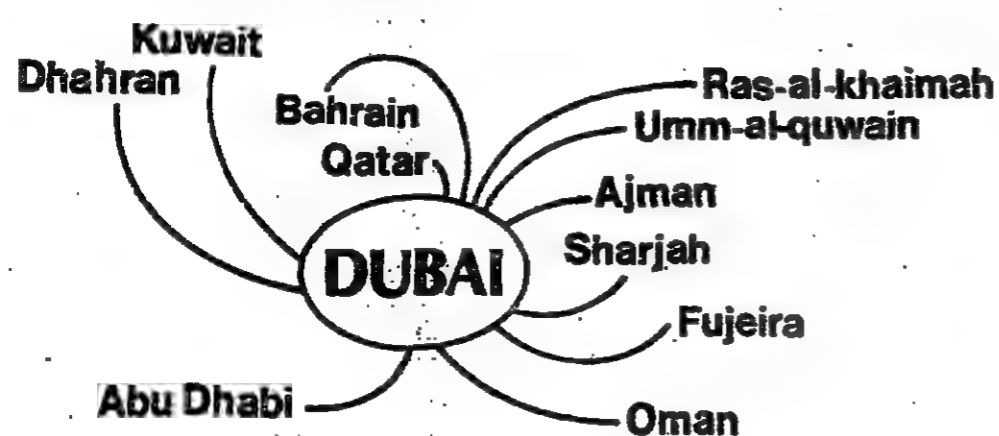
Lurgi is an Engineering Group. Lurgi Chemie und Hüttenstechnik GmbH. Inorganic Chemistry • Ferrous Metallurgy • Non-ferrous Metallurgy. Lurgi Kohle und Mineralöltechnik GmbH. Coal Technology • Gas Technology • Refinery Construction • Petrochemistry • Fiber Technology. Lurgi Umwelt und Chemietechnik GmbH. Dust Collection and Emission Control • Waste Gas, Water, Air • Thermal Processes • Cellulose and Biotechnology • Gels (Surface Coating).

DUBAI SERVES THE GULF... DNATA SERVES DUBAI



DNATA is passenger and cargo services for all airlines at Dubai Airport; aircraft handling; passenger and cargo reservations; tour operating and holiday booking.

DNATA is your total travel and air cargo service in Dubai - the best equipped airport in the Gulf - serving the Gulf.



DNATA-P.O.Box: 1515 Dubai, United Arab Emirates
Phone: Passenger Reservations 222151, Cargo Reservations 224993,
Administration 228151, Telex: 5728 DB, Cable: AIRTRAVEL

عل له تأمين لدى الأليانس!

Allianz. In every language synonymous with reliability

Hoffentlich
Allianz versichert
Bien assuré par
l'Allianz

Well insured by
Allianz
Bem seguridad
com a Allianz

Goed verzekerd
bij Allianz
اميد استكم
أو بيه أليانس غارو

Allianz seguridad
en seguros
Assicurati bene!
Assicurati Allianz

Our service knows no limits. We operate worldwide. Now in the United Arab Emirates as well, with a representative office in Dubai and our own professional staff.

What can we offer you? Technical service, especially in conjunction with engineering projects, risk evaluation, loss prevention, surveys and the settling of claims.

What do you gain? The know-how of the leading insurance company in Europe. Head Office Munich, Federal Republic of Germany.

Allianz Versicherungs-AG
Representative Office
in Dubai, U.A.E.

Resident Manager:
Peter S. Warner

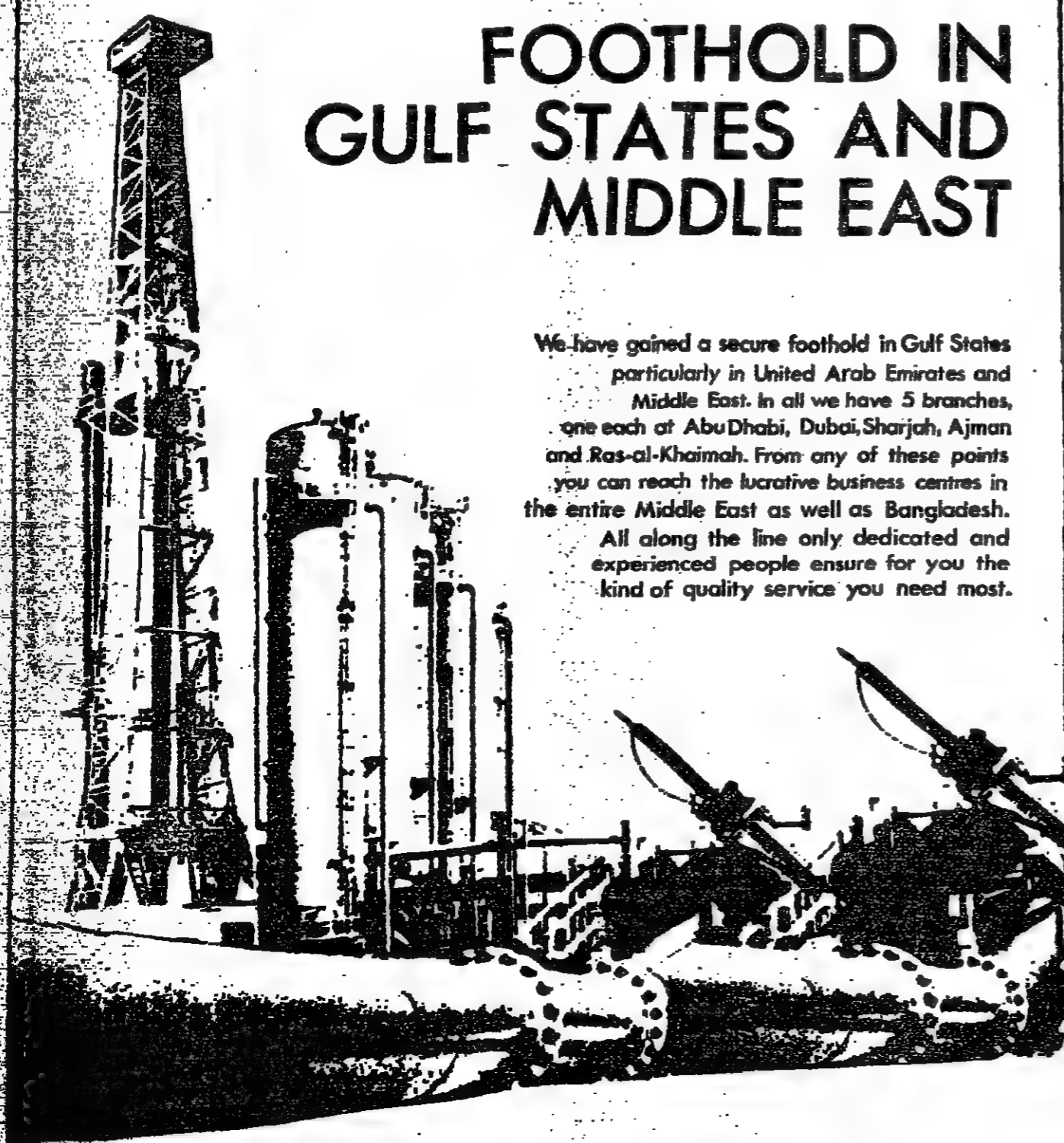
Postal address: P.O. Box 4897
Dubai, U.A.E.

Office address: Arab African Bank Building
6th floor, No. 607
Deira/Dubai, U.A.E.
Telefon: Dubai 284624/284820
Telex: 6834 agis em



FOOTHOLD IN GULF STATES AND MIDDLE EAST

We have gained a secure foothold in Gulf States particularly in United Arab Emirates and Middle East. In all we have 5 branches, one each at Abu Dhabi, Dubai, Sharjah, Ajman and Ras-al-Khaimah. From any of these points you can reach the lucrative business centres in the entire Middle East as well as Bangladesh. All along the line only dedicated and experienced people ensure for you the kind of quality service you need most.



Janata Bank



Mohamed Abdulmohsin Kharafi
مصانع ومؤسسات

محمد عبد المحسن الخرافي



Zayed bin Sultan al Nahayan Institute (Al Ain)—Abu Dhabi

General & Road Contractors • Importers & Exporters
Commercial Agencies • Industries & Establishments

AL KHARAFI

P.O. BOX 650 ABU DHABI

Tel.: 22237 Telex: AH 2320 Cable: AL KHARAFI-ABU DHABI

EXPORTING TO THE GULF? . . .

Merzario Line is your ideal solution

'Door to door' regular services to:-

DUBAI, ABU DHABI, SHARJAH, DOHA, DAMMAN, KUWAIT, BANDAR SHAPOUR.

A fleet of 20000 containers, 22 RO/RO LO/LO ships are at your service, just phone the marketing department of:-



London Tel: 01.534.8080 TELEX 896467
Manchester Tel: 061.236.0504 TELEX 666538
Paris Tel: 7476620 TELEX 611126
Rotterdam Tel: 293700 TELEX 28830
Brussels Tel: 2182800 TELEX 21082
Chiasso Tel: 443626 TELEX 79989
Milan Tel: 50931 TELEX 31567
Barcelona Tel: 3107600 TELEX 54431
Athens Tel: 5246211 TELEX 216068

FIELDCO GULF SERVICES LTD.



We service the oil industry by the fabrication and erection of

- offshore platforms
- steel and industrial structures
- steel bridges
- onshore facilities

Excellent Maintenance backup service

P.O. Box 5867, SHARJAH, U.A.E.
Tel: 354193 Telex: 8479

(A member of GROOTINT BV)

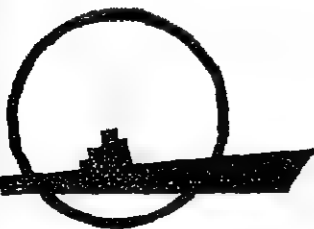
Ship Owners : Owned fleet-Scheduled sailings W.C. India/Gulf.

Managers : Inter Gulf-LCT's/Tugs/Barges/Crew boats.

Charterers : Worldwide-Inter Gulf-Cargo/Freight bookings.

Agents : Liner and Tramp including Lash/Flash/Ro-Ro/Containers and Break Bulk.

P & I Club : UAE representatives of Assuranceforeningengard, Arendal, Norway.



GREAT CIRCLE LINE INC.
PO Box 2506 Dubai UAE Tel. 471216/7/8/9 Tlx. 5631 DB CIRCLE

Union Insurance Co. Ltd.

HEAD OFFICE - P.O. BOX 640 Tel: 62233
UMM - AL - QAIWAIN
U. A. E.

Branches:

DUBAI

Cable: TICOST Tel: 226781, 226968

Telex: 5800DB

P.O. BOX 4623-DEIRA.

ABU DHABI

Cable: UNICOST

Tel: 45440

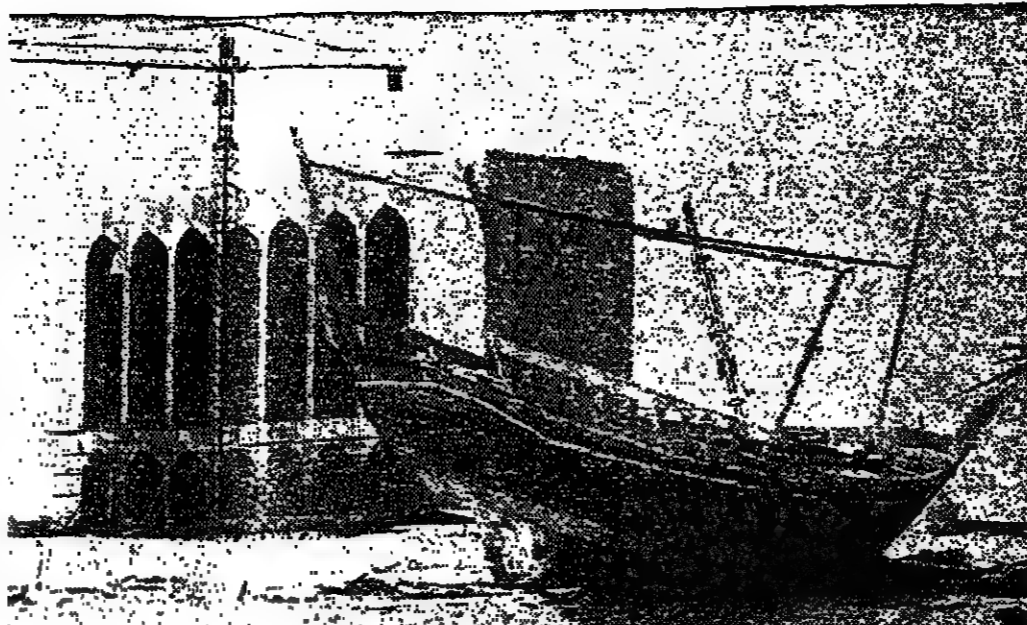
P.O. BOX 3196.

TRANSACTIONING ALL TYPES OF GENERAL INSURANCE

UNITED ARAB EMIRATES XVIII

BORROWING

A complex picture



The new headquarters building for the UAE Currency Board which is being built by Costain International and is due for completion in September.

THE MOST frequent visitor to the international capital markets from the UAE has traditionally been the ruler of Dubai, Shaikh Rashid. In 1976 and 1977, he sought funds in the Euromarkets for one ambitious development project after another.

The picture these days is far more complex. The range of borrowers from the UAE has increased. The smaller Emirates and the richest of all, Abu Dhabi, have begun to tap the markets. The private sector has overcome initial doubts about borrowing and started to resort to Eurofinancings. At the same time, however, direct borrowings by the rulers of the Emirates in their own names has tapered off, as international bankers have become more conscious of the political differences that still linger among the Emirates, such as the row over the amalgamation of the defence forces, and the failure to push ahead with converting the Currency Board into fully fledged central bank.

These uncertainties are clouding the climate for borrowers from the Emirates, especially the smaller ones. Abu Dhabi clearly retains the banking community's confidence, and by the same token a federal body like Emirtel — the telecommunications company — is seen as an excellent risk because it has the full backing of Abu Dhabi. When Emirtel — 60 per cent UAE Government and 40 per cent Cable and Wireless and LAL — was introduced into the Euromarkets last year with a loan for \$100m, it was the Abu Dhabi Investment Company (60 per cent owned by the Abu Dhabi Investment Authority) that acted as guarantor. For its recent second borrowing of \$100m, Emirtel was sufficiently well-known and respected to do without a guarantee, and the rate it paid — 1 per cent above Libor for two years and 1 per cent for six years, against 1 1/2 per cent over

seven years previously — did not suffer significantly.

Abu Dhabi itself has just made its long-awaited debut in the Euromarkets, with the announcement of a \$50m credit for the Abu Dhabi Gas Liquefaction Company over eight years on a split spread starting at 1 1/2 per cent. Dubai, in the personage of Shaikh Rashid, seems to be opting out of direct borrowings at present. Last year, the ruler took four major loans in quick succession, \$225m, \$230m, \$150m and \$200m. The first two — both over six years at 1 1/2 per cent above Libor — were for the aluminium smelter and the gas gathering and processing complex, respectively. Of the latter two — announced in the space of a week in July — one was a general purpose loan and the other for Dubai Electricity, and both were over three years, raising the question in some bankers' minds that perhaps Shaikh Rashid was having cash-flow problems. Others, however, considered that it was simply a case of Rashid seeing the opportunity to get some cheap shorter-term finance to fulfil distinct cash-flow requirements.

Servicing

Whatever the reasons, last year's borrowing added a hefty chunk on to Dubai's total debt and its debt servicing needs. Even before the \$150m and \$200m deals, debt servicing was reliably projected to rise to \$280m in 1979 and \$373m in 1980. But adequate financial information is hard to come by. Several major banks refuse to lend to Dubai for that reason; others by now must be reaching their limits on Dubai.

Thus, if Dubai does need extra finance from the Euromarkets for the dry dock and

aluminium projects, as seems possible because of cost overruns, the Ruler might find the welcome less warm than previously, and this will show in the rate he has to pay. He might get round this partly by using a surrogate borrower. Significantly, imports of alumina for the aluminium plant are being financed by a \$25m credit to the Dubai Aluminium Company (Dubai), which is 80 per cent-owned by the Dubai Government/Ruler. Significantly, too, banks which had previously been prominent in lending to the Ruler — notably Morgan Grenfell and Lloyds Bank International — were absent from this latest three-year deal, which formed the Allied Arab Bank's first lead management. Shaikh Rashid will probably get by, but more bankers are prepared to question the wisdom of some of his projects now than a year ago.

On Sharjah, banking opinion is much more clear-cut. "It's in deep trouble," said one major bank which refused to take part in the recent \$200m loan to the Ruler. Another banker commented, "I doubt if you'd find a bank in the world willing to lend to the Ruler of Sharjah in his own name." But backed by Abu Dhabi, the loan drew a good response. The spread at 1 per cent was well below the 1 1/2 per cent Sharjah paid last year, but was generous for what is essentially an Abu Dhabi risk. Borrowings by other Emirates' rulers have tended to be for specific projects or contracts. Ras al-Khaimah raised \$20m last autumn for oil exploration and setting up a lime kiln. Ajman raised \$4m and \$2m at the end of the year to assist the financing of contracts awarded

to F. J. C. Lilley (Marine). The fact that amounts of these sizes had to be syndicated at all says something about the way bankers regard the smaller Emirates and set their limits. It is unlikely that these rulers could borrow at present in their own name on terms that would be acceptable to them. More corporate borrowers are likely to be seen, however, for specific projects. An example is the Union Cement Company's current operation for a joint amount of \$25m and KD11.7m, lead managed by the Industrial Bank of Kuwait and the Kuwait Foreign Trading, Contracting and Investment Company. UCC — some 80 per cent owned by Ras al-Khaimah Government/ruler — needs the money for phase two of its expansion which will take plant capacity up to 1m tons a year. The proliferation of projects in neighbouring Emirates or in States has not apparently affected the way the loan is regarded by banks, because UCC is generally regarded as a high quality producer. The borrowing by the company fell through last year at an advanced stage because it was to be guaranteed by the Currency Board and lawyers for the lender to the Ruler of Sharjah were not satisfied about the Board's legal authority for doing this. The new deal is not directly related to last year's abortive one. There is no formal guarantee this time, which helps explain the relatively high spread being

paid on the dollar portion of 2 per cent over Libor. A number of other borrowers — usually members of the ruling families or prominent merchants — have been using the Euromarkets to raise small amounts for their own private projects, normally in the real

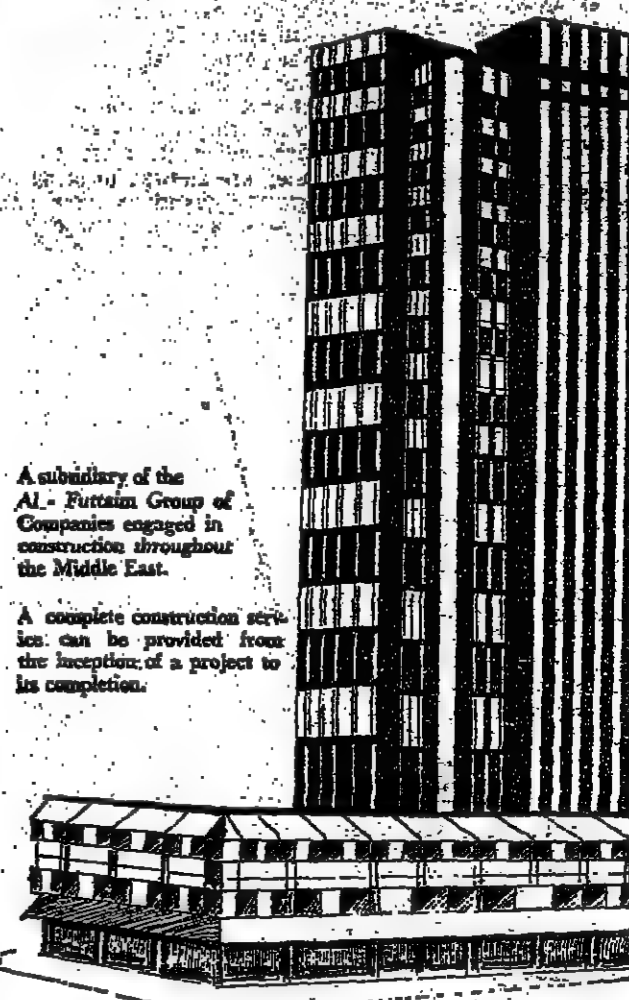
estate field. An example of this was the \$17m raised for secured or fixed-rate and seven years at 2 per cent over Libor for Abdel-Jalil al-Fahim and Sons by Abu Dhabi Investment Company for the Holiday Inn project in the Emirates. Paralleling the emergence of new borrowers from the UAE has been the sudden rise to prominence in international centres.

Whether these local Arab houses view Arab lending risks differently from other international banks is a moot point, already made its mark on the markets, lead-managing co-get given mandates for Arab managing and participating in borrowings. In the \$200m with Eurocredit and Eurobond Sharjah deal it is notable that issues for borrowers as wide as Mexico, Philippines were participants, even though and Hungary, as well as the loan was guaranteed by Abu Dhabi. The ruler of individual like ADIC majority owned by the Government — has also recently begun to bid aggressively for loan mandates, though often the two institutions end up in the same management group, as in the recent Emirtel and Abu Dhabi Gas Liquefaction deals. If two such banks were not enough for Abu Dhabi, it is also a shareholder, through the UAE Government, in the Bahrain-based Gulf International Bank, which in the last few months has become a much a talking point among U.S. and European bankers as the other two local houses, GIB and Emirtel, foreign borrowings owned by seven Gulf governments including Saudi Arabia, Iraq and Kuwait, as well as the UAE.

Brian Thompson



AL-FUTTAIM CONSTRUCTION



Please address enquiries to: The Commercial Director, Al-Futtaim Construction, P.O. Box 132, Dubai, U.A.E. Tel: Dubai 226611/2, 228817 Telex: 5977 BULD DB

ELLIS GULF LTD. DUBAI

THE LEADING CONTRACTOR FOR BUILDING SERVICES IN THE UAE

Contracts in hand include the prestige INTERNATIONAL TRADE & EXHIBITION CENTRE and THE GALADARI CORNICHE COMPLEX, two outstanding landmarks on the ever-changing face of the city of Dubai.



Specialists in the design and installation of Air Conditioning, Heating, Ventilation, Plumbing, Drainage, Fire Protection, Electrical Installations and Planned Maintenance.

London Office

Ellis House, 118-120 Garratt Lane, London SW18 4EF

Tel: 01-874 0411

Telex: 928306 ELKEN G

Dubai Office

P.O. Box 23, Dubai

United Arab Emirates

Tel: Dubai 435713

Telex: 6423 EMSINT DB

A member of the Ellis Group of Companies

EXPATRIATES The good life

THE UAE has become a very comfortable place for the western expatriate to live, with all the advantages of living tax-free in the Arab world and very few of the disadvantages.

Those who were here before the boom might complain that things were better in the old days when the pace was slower, life tougher and people had more time for each other, but for the average expatriate who does not want to forfeit his cornflakes or roast beef when he goes abroad, life is pretty good.

Most expatriates — there are about 20,000 in all — come out on two-year contracts, and the fact that many decide to stay for a second term is not just due to their bank balance.

Ten years ago the majority of westerners were heads of companies running small offices but the cross section of society has broadened now, hastened by the construction boom which brought out expatriates from all walks of life. For many it is their first taste of life abroad and some find it difficult to take. There are the coffee morning moaners who complain about their husband's hours and the cost of living, but one suspects they would probably moan wherever they were.

Working hours are long — it is a six day week and most men work at the very least an eight hour day. There are special frustrations for those who like to get things done in a hurry. In the summer temperatures are unpleasant with the heat building up from the end of April onwards to around 120 degrees Fahrenheit with 90 per cent humidity in June, July and August, cooling off again around October.

The heat is tiring, but with air conditioning in homes, offices and most cars it is bear-

able, and there are plenty of expatriates who ignore it and continue to play sports all the year round.

The most obvious reward for working in the UAE is money, with the average salary twice the UK equivalent but of course not taxed and with the added benefits of free housing, car, schooling and air fares provided.

Most companies give local leave in addition to annual leave, and a growing number of people are taking the opportunity to visit other countries, including Iran, the Far East and sub-continent.

While most people — at least if they are honest — will say they were initially drawn to the UAE by the salary, many will also add that the extra responsibility at an earlier age and the challenge of a competitive and stimulating business environment were other important factors.

The influx of foreigners in the past few years has been tremendous and the effects have not always been for the best. Five years ago UAE nationals were more accessible in both offices and homes. Now there are too many people, the place has grown too quickly and attitudes, too, have changed. Both for the young Arab, who can go out and buy a Trans Am at the age of 17, to the expatriate who can save more money in two years at home, it is a money-oriented society.

There is plenty to spend money on, with restaurants, a thriving night life and expensive boutiques. Alcohol is available in hotels and, with a licence, at home. But the majority of expatriates come with a view to saving, either for their first mortgage or to buy a bigger home when they return home.

The average expatriate tends to lead an unreal life, barely touched by the Moslem culture around him. He meets very few Arabs and mixes in his own circle, probably with his own company. There is little interchange between the different cultures.

But those who do make the effort to penetrate the Arab circle find they make a friend for life and one who is likely to be as curious about them as they are about him. However, it is unlikely that many western males would enter the inner sanctum of an Arab's family life, or meet his wife.

For the expatriate wife, living in the UAE presents no particular difficulties. She can drive — and most families have a "wife's car" — she can shop in air-conditioned comfort, buying almost all the goods she could buy at home, she can work and move about in Western clothes, unmolested.

There are unpleasant occasions when she may be stared at by the numerous Asian immigrants, especially if she is alone in the souk or on the beach, but provided she is sensible she is unlikely to suffer anything worse than looks.

As elsewhere in the world, food is probably the biggest item on the family budget, and this has been hit by inflation and transport costs. The average family food bill probably comes to around \$600 a month, and more if they entertain a lot — and most people do. Until recently fresh meat and dairy produce was something of a luxury, but six months ago an enterprising English couple began weekly airlifts of fresh

CONTINUED ON NEXT PAGE

UNITED ARAB EMIRATES XIX

THE MERCHANTS OF DUBAI

New markets for old

THERE ARE no published statistics about exactly how many watches per man, woman and child of Dubai nationality were imported by the merchants of Dubai last year, but a rough calculation based on 80 tons of watches and the average watch weighing 1½ ozs, would suggest that 50 was about the right number. Re-running the figures for the total Dubai population of some 200,000, would give around ten watches per head, and similar calculations would show that Dubai imported four transistor radios per head, three cassette-cum-sound recorders per head, and one television for every two people. Likewise the average adult female resident of Dubai in 1977 appears to have got through the better part of a gallon of perfume.

In colder economic terms Dubai's enormous sales of consumer goods mean that in recent years the State's imports have been running at well over twice the value of the imports of any other State in the lower Gulf, including Oman. Apart from Saudi Arabia, of course, only Kuwait among the Arabian Peninsula countries last year imported more than Dubai. Kuwait's imports ran at some \$4.5bn, against Dubai's \$3.8bn.

Part of the explanation of this extraordinary pattern of trade is that many of the goods imported by Dubai are sold in the Northern Emirates or Abu Dhabi. Many of the bigger merchants have agency agreements which take in not just their own Emirate but all of the UAE. For example, the Al-Futtaim enterprise, which markets Toyota, Honda, Hino, Chrysler, International Harvester, Toyota, General Tyres, National Panasonic, Sanyo, Toshiba, Seiko, ITT, part of the Philips range, and Timex, and probably counts as the biggest merchant group in the lower Gulf, has every one of its agencies on a UAE-wide basis.

More important for Dubai, though, is the re-export business, which over the past five or six years has undergone a significant change in shape. In the years up to the oil price explosion of 1973-74, the trade was based on the commercial re-export of goods in bulk by the merchants—partly legitimately and partly as contraband. The smuggling business involved the sale of cloth, medicines, and cigarettes in Iran and the sub-continent, but above all it concentrated on shipping gold bullion and gold watches to India. The trade reached its peak in 1970, when Dubai's gold imports totalled 25 tonnes, or about 20 per cent of new gold mined in the free world that year, but thereafter it declined rapidly under the impact of the soaring gold price and the more effective precautions being taken by the Indian coastguards. In June, 1973, imports dropped to zero, and since then the trade has never really recovered. Last year imports were 41 tonnes, and in the early months of this year it is known that there were several successful cargoes shipped to India—together with one or two going across the

land frontier in late 1977 and signs of a revival in textiles smuggling.

The other half of Dubai's traditional re-export business—the legitimate trade built on the Dubai merchants' skill at finding more popular and cheaper goods to sell than wholesalers in neighbouring countries—has not declined in absolute terms but has been dwarfed by recent developments. Last year visible re-exports of this type ran to just under \$300m—of which nearly 90 per cent went to Iran, Saudi Arabia and Qatar.

What has changed so much since 1973 is that Dubai is now used as a shopping centre by hundreds of thousands of visitors and immigrants, which means that the bulk of the goods re-exported go out quite legitimately but unrecorded, on peoples' persons, in their suitcases or as hand baggage. There were always large numbers of people from Qatar (and Abu Dhabi) who want to shop in Dubai, but since the oil boom and the population explosion the invisible consumer re-export business has come to dominate the whole business scene in Dubai. One way or another it is reckoned now that about three-quarters of the consumer goods imported by Dubai and sold over the counters of Dubai and Abu Dhabi find their way out again. Among the items mentioned above, the only partial exception to this rule is perfume, which, as anyone involved in the pharmaceuticals or beauty business in the area will testify, Arabian women consume in truly staggering quantities.

As far as Dubai's other major consumer imports are concerned, as soon as any economy in the Middle East or south Asia begins to close its doors to manufactured imports, it opens up a new market for Dubai. As an almost universal pattern, citizens of India, Pakistan and the poorer Arab countries working in the UAE buy the sophisticated Western consumer goods which they cannot get at home, but which in most countries they are allowed to bring in in small quantities for their "personal use" when they return home. Once through customs in his own country the returning worker sells his purchases at a black market price high enough for him to pay for his month's holiday out of the profit. Indeed the closing of an economy in the region not only opens the way for this sort of transaction by nationals already working abroad, it positively encourages its people to emigrate by providing them with a material incentive in addition to the higher wage rates available in the UAE.

The returning workers market is supplemented by business visitors and by Saudi retailers who come to Dubai to buy stocks to resell to pilgrims during the Haj—though most of the Saudis' purchases show up in the visible trade statistics already mentioned. It goes without saying that each one of these groups of buyers represents a

market for electronics goods and watches par excellence—these items being regarded as prestigious possessions in Third World countries. Anyone who has looked around the inside of airports in the Gulf when a PIA or Air India flight is due in will have noticed that almost every waiting passenger has a large and expensive TV or tape recorder with him.

However, Dubai's trade is suffering at least a temporary setback because of the ending of short stay visas by the Federal Government late last year. This has effectively ended most of the shopping expeditions from elsewhere in the region to Dubai, and reduced the number of businessmen making visits. In some quarters it is claimed that the new rules have cut Dubai's sales by about 20 per cent, and maybe more.

Consequences

For the Dubai merchants, one of the consequences of this pattern of trade has been the need to be extremely internationally minded and to think through regional economic developments in remarkable depth. A hypothetical example of this was suggested recently by a marketing manager selling electronics goods for a Dubai enterprise. "Say that country 'X' is wanting to buy a French nuclear power station, then the more astute Dubai businessman will make a particular point of monitoring developments in the sale. In case the French succeed—as they have done in the past—in incorporating the sale of their own SECAM colour television system, as part of a package. If this happens it may be that the businessman should look into the possibility of his selling TV sets geared to the SECAM system in addition to the sets geared to PAL (the UK system) he sells already. If he decides in favour of the idea, then he will want to be arranging the appropriate agencies some years before the demand actually materialises."

Because of its cosmopolitan population combined with its 20 year tradition of trade and liberal government, Dubai is a very much more competitive market than Abu Dhabi. People are very price-conscious (partly no doubt because they are looking to maximise their profits on the resale), whereas in other Arabian Peninsula oil states consumers are surprisingly unprice-conscious and ill-informed on what qualities they should be looking for in the goods they buy. Products are much quicker to gain acceptance in the Dubai market, and so merchants who have a UAE-wide agency will often introduce a new line in Dubai to test the market's response and the success of their own promotion before they try it in Abu Dhabi.

It follows that in Dubai goods

do not sell, as they do elsewhere in the Gulf, on the basis of their having a long-established reputation, of the sort which may buffer a brand against competition from superior and/or cheaper products, and make it a very long process for such products to break into the market. The reason is not that in Dubai the advertising used to introduce new products to consumers is of a higher standard than elsewhere—it is not, even though TV advertising is allowed for three minutes in the hour whereas it is banned altogether in Saudi Arabia. Nor is it that people in Dubai are very much more responsive to advertising. The explanation lies mainly in the very big turnover of population and visitors, which makes a reputation hard to establish in the first place.

Interestingly, in planning their advertising and promotional the Dubai merchant houses do not aim, as outsiders might imagine, at specific racial/cultural groups. In part this is because the media is not as much divided up according to consumer groups as it is in Western societies. There are also problems of a more or less technical nature, such as the impossibility so far of finding a Dubaiian girl prepared to model vacuum cleaners to enhance their appeal to Dubaiian ladies. But most important of all it is felt that it would be politically awkward to be seen to be aiming an advertising campaign overtly at a minority group. If there is any racial/cultural bias in Dubaiian advertising, it is towards the Dubaiians themselves, because it is felt that it is best to try to harmonise with the indigenous culture.

In no sense are advertising campaigns in Dubai sophisticated—nor are they in any Gulf country—because in recent years the market has expanded so fast that merchants have had little need to make their marketing competitive. From \$605m in 1973, Dubai's imports doubled in 1974, increased by 50 per cent in 1975, and increased by a third in both 1976 and 1977. The last of these years was one in which Dubai was felt to be going through something of a recession, which was most apparent in the property market. In recent months, however, the consensus has been that business is modestly on an upturn. The property crisis has eased, giving a good many businessmen better cash flows, while both the Abu Dhabi and Dubai governments are still spending at a high rate. As a result the merchants are more confident, and it seems that they are opening more letters of credit.

But the question has to be asked of what will happen to Dubai as a business centre in the more distant future—assuming that political stability is maintained?

At present the merchants' business in Dubai is predominantly a matter of importing, stocking and then wholesaling and/or retailing within Dubai and Abu Dhabi. A small volume of goods is smuggled still, which calls for specialist expertise, and larger volumes are re-exported visibly to neighbouring countries, which calls for a certain knowledge of local conditions in those markets. There are also just a few cases of merchants dealing at arms' length, buying, say, scrap iron in London and then reselling it directly to a buyer in Karachi without it ever touching Dubai. A few merchants have sold to Iraq and Oman on this principle, and it is known that the Union Bank of the Middle East, owned by Abdel-Wahab Galadari, has done some arms-length trade finance. But it is still true to say that examples of this type of trading are few and far between. Certainly there is none of the merchandising of the Hong Kong or London type, where merchant houses will buy and sell in the products in which they specialise, in effect matching markets with the best source of supply and using their names as a guarantee of the integrity of the products.

Expanding

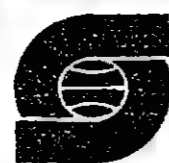
However, there is a school of thought which argues that if Dubai is to continue to develop and prosper in future, it should be expanding into precisely these types of operations. It is suggested that the big Dubai merchant houses might one day turn into companies rather like, say, Jardine Matheson, or, on a rather more specialist plane, into trading businesses such as those associated with the names of Louis Dreyfus, Bunge, Ralli Brothers or Volkart Brothers. The first signs of such a development taking place would probably be the establishment of one of the big international houses in a partnership with one of the local Dubaiian houses—as Jardine Matheson has recently bought into one of the biggest Saudi merchant groups, albeit with different purposes in mind. The Government might help by cautiously encouraging the establishment when the time was ripe of trading associations and exchanges for different types of goods.

It goes without saying that developments of these sorts can only come slowly—Dubai already has a domestically orientated stock and commodity exchange and it is not very active. On the other hand the development of an international trading business as a diversification away from oil would probably take no longer than it will take Dubai's heavy industries to become viable—and it would certainly be more in tune with Dubaiian society.

Michael Field

THE GULF IN '79
Reserve your exhibit space now
for the most prestigious
trade fair in the Middle East

FEB.23 TO MAR.3, 1979



SHARJAH INTERNATIONAL TRADE FAIR

The largest Exhibition facility in the Gulf invites you to display your PRODUCTS, PROCESSES & TECHNOLOGY TO THOUSANDS OF READY-TO-BUY CUSTOMERS. EXPO '77 drew 151,327 Trade and public visitors, INTERNATIONAL SPRING FAIR '78—72,420, CZECHOSLOVAK TRADE FAIR '78—65,582. Exhibitors wrote over 260 million Dollars in collective business in these highly successful commercial trade fairs.

EXPO CENTRE
SHARJAH
UNITED ARAB EMIRATES

EXPO CENTRE:
750,000 Sq. Ft. SITE,
120,000 Sq. Ft. in
Pavilions plus 300,000
paved exterior space.
Lowest rates anywhere.
Write, call or telex
for Literature and
information:

EXHIBITION
MANAGEMENT CO.
P.O. Box 1145, Sharjah,
United Arab Emirates
Tel: 358888, 356779, 357302
Telex: 8306 EXPO SH

Patron: H.H. Sheikh Sultan bin Mohamed al Qasimi, Ruler of Sharjah

Official Hotel: MERIDIEN • Official Carrier: AIR FRANCE



SHARJAH - TRADE & EXHIBITION CAPITAL OF THE GULF



Dolphin Reefer Lines Co. Ltd.

For regular and faster sailing

The link
between
Northern Europe,
U.S.A. and
the Gulf



Dolphin a unique U.A.E.
based refrigerated
shipping company
with a monthly
service to major
ports in the
Gulf

For bookings

U.A.E.
P.O. Box 5821,
Sharjah,
Tel: 357743
Telex: 8096 DOLPHIN SH

Europe
P.O. Box 375,
Sentrum, Oslo 1, Norway.
Tel: 334180
Telex: Oslo 11205

EXPATRIATES

CONTINUED FROM PREVIOUS PAGE

from the UK and prices have come down. Shopping can be frustrating as occasionally a particular item or brand will run out completely, and this used to happen frequently when port congestion was at its height and goods lay offshore for months. Food may not always arrive in the condition it should. Cereal may have gone stale in transhipment and flour and rice tend to breed weevils. One simply has to sift flour and look carefully in cereal packets.

Accommodation is one item of expenditure which rarely reaches the expatriate directly. Although company housing varies with status and the employer's generosity, most people are adequately housed. In Dubai the popular choice is a flat, a sprawling beach development of villas. Rents are high, running in the region of \$25,000 pa for a villa in Dubai—but this is the company's problem.

Schooling is by and large good but expensive, although here again it is likely to be the main reason why parents in one country rather than in Dubai are expatriate schools in most languages, taking children up to the age of 11 and staffed by a mixture of expatriate and local staff and locally employed teachers. The most recent build-up to meet a demand for more places (up to \$3,000) for each place, which can be sold when the child leaves. On top of this the fees are around \$350 a term.

Dubai is shortly to get its British-standard secondary school. To be called Dubai it will start operating in September with about 80

pupils and should move into permanent premises next January. It will complement the English primary schools in the Emirate and provide O level and eventually A level courses to the University of London standard.

With a six-day week, what to do on the Friday weekend becomes of major significance. Almost every sport is available, with expatriate cricket, football and rugby clubs, polo, golf, sailing, tennis and water sports. In recent years recreation has become quite organised, with established clubs for most sports, annual leagues and trophies as well as local sponsorship.

There are the big annual events, but it would be unfair to suggest that expatriates live a British Raj type of existence—they are too busy working for that. To compensate for that, the Wimbledon, Henley and Ascots there are home-made equivalents organised by enthusiastic committees of these expatriates. Principal of these is the Annual Tennis Dubai are its Finals played at Open with the Embassy Court, the British Embassy, complete with Rugby Bands of the Army and massed bands, and the Raft Race, which is basically a fund raising day for the football club and consists of teams paddling round a specially devised course on a raft made of oil drums. Last year about 6,000 expatriates turned out to watch and cheer. Such events allow some relaxation in what is basically a hard-working environment. It is this sort of freedom which makes the UAE one of the pleasant countries to live in.

Celia May

Our business is helping people to do business in the United Arab Emirates.

That's how we've become its leading commercial bank. We offer more than just finance. We can give the practical, down to earth advice and help needed for success. Help with the local laws, rules and regulations. Even help with finding the right partner. In fact the sort of help you would expect from the businessman's bank.

If you think that's the sort of help you'll need, why not contact our Head Office or our branch in London.

U.A.E. Head Office:
Sheikh Khalifa Street,
Abu Dhabi.
Postal Address:
P.O. Box No. 4, Abu Dhabi,
United Arab Emirates.
Cable Address:
Almasraf, Abu Dhabi.
Telex: AH2266 and 2267.

London (City Branch):
90 Bishopsgate,
London EC2N 4AS.
Telephone: 01-626 8961.
Telex: 885782 Masraf.
Cables: Masrafcity.

Extensive branch network
in the United Arab Emirates.
Overseas branches:
Alexandria, Bahrain, Cairo,
Khartoum, Muscat, Port Said.
To be established:
Amman, London (West End),
Paris, Port Sudan,
Sanaa, Tunis.

بنك أبوظبي الوطني

NATIONAL BANK OF ABU DHABI

"The businessman's bank"

Total assets at 31st December 1977: Dh. 14,005,704,326 (US\$1 = Dirham 4 approximately)



AH'LAN

MEANS A WELCOME IN ARABIC

BIN HAMOODAH

MEANS A WELCOME IN BUSINESS

You can be assured of both when you come to

BIN HAMOODAH

We are active in all spheres and can offer:

Representation**Agency or Sponsorship****Contracting and Sub-contracting possibilities in:**

- Civil Construction
- Mechanical, Electrical and Instrumentation
- Fire and Safety
- Transport/Catering/Insurance

We can supply:

- Motor Vehicles of all kinds
- Communications Systems
- Building Materials

We can assist you with:

- Office accommodation
- Secretarial Services
- Government formalities (visas, permits and the like)

Your problem is our interest. One of our Divisions has the knowledge and the contacts to make a success of your venture in the United Arab Emirates.

YOU SUPPLY THE TECHNICAL KNOW-HOW
WE WILL SUPPLY THE LOCAL KNOW-HOW

BIN HAMOODAH

P.O.B. 203, ABU DHABI

UNITED ARAB EMIRATES

Telephone: 22180

Telex: 2328 AH: HAMOODAH

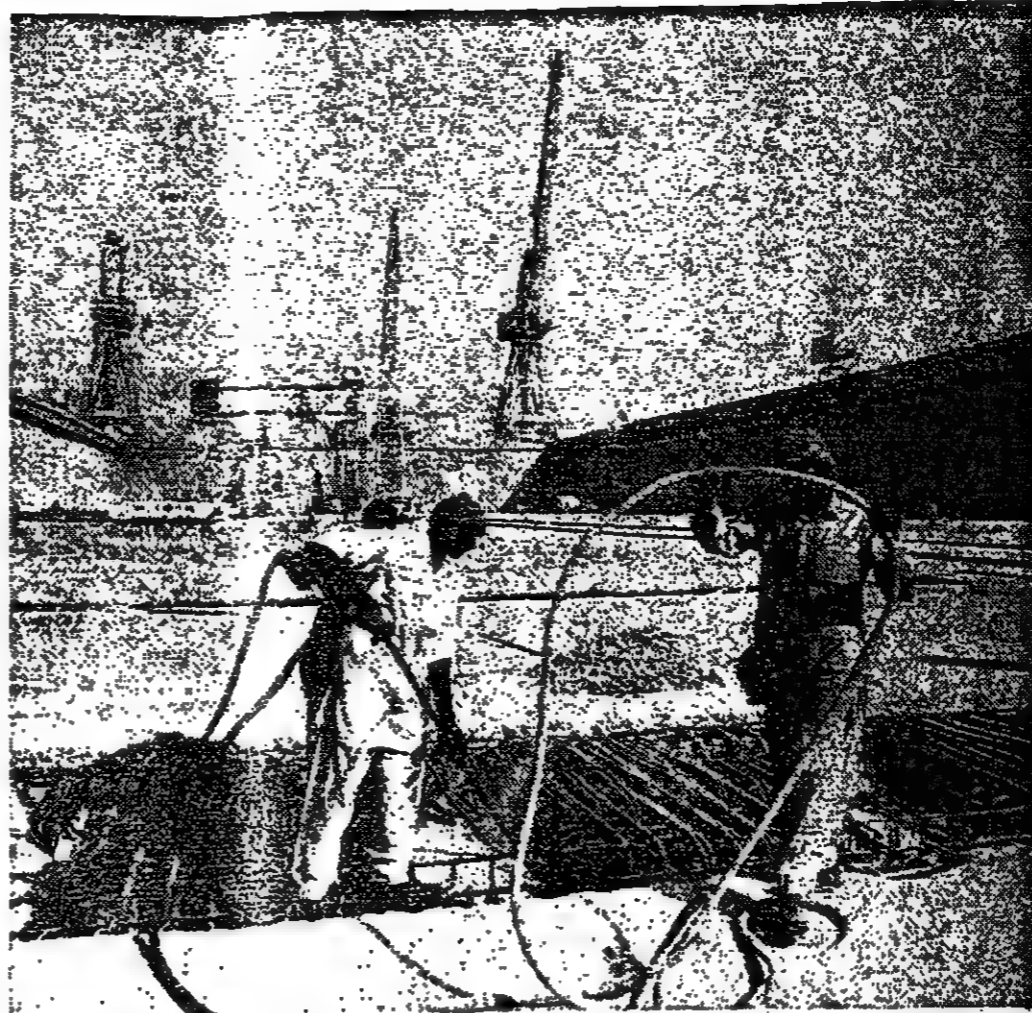
UNITED ARAB EMIRATES XX**LABOUR****A growing force**

YOU CAN see shop-signs in the UAE with the legend "trading, shipping, freight and labour supplies." Labour is regarded as a commodity in the Emirates, procured, handled and packaged with the minimum fuss, the maximum acceptable profit and, many in the West might be tempted to say, minimum dignity for the workforce.

The UAE boasts abundant supplies of relatively cheap labour, yet has few workers of its own. The latest official population figures are not released because of their sensitivity, but from recent statements in the federal National Council and information from well-informed local officials, the 1978 population can be estimated at 650,000 foreigners and 210,000 nationals. This means that three-quarters of the people living in the country are foreign.

When the business community speaks of "good labour conditions," a phrase which is frequently heard, it is an assessment strictly from the employers' viewpoint. Foreign workers do not have much by way of rights. Strikes are illegal, as are attempts to organise labour unions of any kind. Troublemakers are identified and deported swiftly and without fuss. One stabilising factor on worksites is the traditional mistrust between Indians and Pakistanis who together form about two-thirds of the foreign labour force. This may be one reason why there have only been three publicly recorded labour disputes in the last two years despite low wages and debilitating conditions.

The federation is only beginning to come to terms with the implications of the society it wants to build. In many quarters industrialisation is still seen as the cornerstone of socio-economic development. Imported labour, whose existence would change the market the factories produce for, could eventually become the key element round which society will have to adapt itself. The foreign workforce is the single most important part of the country's infrastructure—politically, economically and socially



The Dubai Dry Dock, being built by Costain/Taylor Woodrow at a cost of £162m, was hit last year by a strike for better pay and accommodation.

as important as oil reserves. The Government is gradually recognising this, but only slowly—possibly because this is almost the first time in history such circumstances have arisen.

The most important section of the bulk labour force is from Pakistan and India, making up an estimated two-thirds of the unskilled workforce. Workers are paid about Dh 25 a day, which provides them with a surplus for sending home only because of the unpleasant conditions (living often five or 10 to a room).

Some big contractors provide workers with food free of charge and maintain site canteens which get through vast volumes of rice every day and provide workers with food free of charge. The motivating force to persuade labourers to work unprotected from the heat and humidity of the Gulf is their ability to earn just enough to save. The alternative to the steaming primitive shacks that the less fortunate workers live in is to return to the sub-continent, usually to no job at all. Employers have a considerable hold over the workers, who cannot leave without a letter of release. If they do so their next employer often pays them less under threat of exposing them for deportation.

coastal patrols and a clamp down which included an amnesty. But the economic attraction is great for both employer and employee. While economic demand continues unscrupulous brokers will always find a market for the Dh15 a day worker who will keep his mouth shut for fear of deportation. Last year's two-month amnesty was successful with a more privileged category of immigrants, those who arrived illegally by plane (taking advantage of a 96-hour transit visa and leaving their passports at the airport). Early last year Abu Dhabi announced that it was holding 16,000 such passports, while they were being left at Dubai Airport at a rate of 1,000 a month. The amnesty required people giving themselves up to present a sponsor's name to the authorities. For this reason it seems unlikely to have dragged up many of the less privileged illegals—and officials still stick to their conservative estimates of 50,000 unlawful immigrants, which coincides with their estimates of numbers unemployed.

Last year's clampdown was followed by the cancellation of the transit visa system, imposed in the wake of the murder by a Palestinian of the Minister of State for Foreign Affairs, Mr. Saif Ghobash, an event which stimulated some very hard thinking about immigration. The move has had a serious effect on business in Dubai, in particular where hotels have lost the trade of casual western businessmen, while the Souk has had to go without the stimulus of large-scale shopping expeditions by show from across the Gulf.

Recruiting

The system for recruiting workers involves agents in Pakistan and India liaising with brokers in the UAE who supply the requirements of the big contractors. There are many honest brokers. Many of the big contractors are, by local standards, honourable, fair employers. But workers from the sub-continent are frequently treated out ragedously. Sometimes they pay huge sums to employers as surety from which the employer can deduct money or threaten to do so. Sometimes they pay large sums, often borrowed at high interest rates, for spurious formalities. In the aftermath of one short-lived strike it was claimed that workers were being asked to pay Dh 1,000 (one month's unskilled wage is Dh 350-700) as surety for visas.

These are the lucky ones. The most unfortunate workers from the sub-continent make illegal crossings to the east coast of the UAE sometimes paying hundreds of dollars to the Dhow owner. Some arrivals are not even aware their entry is illegal. Others arrive with no more than a scrap of paper bearing the name of an acquaintance and a few rupees in their pockets. In more tragic cases the dhow captains drop them off in the coastal waters off Fujairah leaving them to wade ashore, sometimes with wife and children. In August 1978 a massive attempt to smuggle 600 Pakistanis into the country failed when one of the boats went aground off Fujairah. Those who were caught included many women and children who were deported the next day. Last year 170 people are thought to have drowned in an abortive attempt to cross from Pakistan. The crew of the illegal vessel allegedly forced the passengers into the water at gunpoint as UAE gunboats arrived. Those who land successfully are sometimes unaware of the geography of the country and are soon parted from their remaining savings by taxi drivers to pay for the trip to Dubai.

Last year the Government, increasingly aware of the immigration problem, made efforts to stop illegal immigration with

replacements when the employer's costs have risen. This principle applies from the top (where employers faced with rising accommodation costs for a professional European began to employ Indians when the annual cost reached \$35,000 a head) to the bottom (where costs can be cut in construction by recourse to illegal immigrants).

There have been three publicly reported labour disputes since 1978, but strikes are wrapped up so quickly there is little reason for them to be made public. One involved workers for the Costain/Taylor Woodrow joint venture at the Dubai dry dock project, who declared a strike for higher pay and better accommodation. Another concerned 200 Iranian dustmen in Dubai who briefly called a strike for higher pay but called it off on being given promises which in the event never materialised. A third involved workers at OTAC, the sewage treatment plant at Dubai, when 500 labourers stopped work demanding a rise from Dh 15 to Dh 25 a day, which meant parity with other Indian and Pakistani workers. The ringleaders were rounded up and deported.

Lesson

In Abu Dhabi, both at the federal and the Emirate level, there is now considerable questioning of the nature of the industrial society to the creation of which the UAE seemed only recently wholeheartedly committed. The murder of Mr. Saif Ghobash has forced the authorities to see that imported labour eventually means imported politics. The lesson may appear less stark in some of the other Emirates, where competition with Abu Dhabi and each other is more important and where the rulers may feel they have the immigrants under control, so opinions about the future vary. The government believes it has the security situation under control because it sees it as a monitoring task—tightening the borders to prevent terrorism. But more and more of its members are aware that the problem is a more complex development question—who is developing what sort of society for whom?

Mr. Saeed Ghobash, Federal Minister of Planning, maintains that the degree of dependence on foreign labour depends on investment policy. He points out "unskilled labour consumes more than it produces. You could extract a large population from the labour market and it would have no economic effect. They send money home but they do not spend." He also recognises that building factories has not reduced the problem of unemployment of poorer, unskilled UAE citizens, since labour is imported. The answer so far has been to concentrate on education in order to build the local human resources for the future.

The task of building a balanced modern industrial society in UAE it seems would be impossible without major changes in attitudes to the labour force. Even when the local population acquires the skill and education to run the machine there won't be enough nationals for the job. A balanced society requires integration of the labour force, politically, economically and socially. This would only be possible with a loss of identity which until now is quite unacceptable to the local population.

**THIS SYMBOL IS
YOUR ASSURANCE
OF QUALITY &
SERVICE
IN THE GULF**



**محمد عبد الرحمن العبد
MOHAMED ABDULRAHMAN AL-BAHAR**

ABU DHABI Tel: 71230 P.O. Box: 441 Abu Dhabi, Tel: 2259
BAHRAIN Tel: 713606/8 P.O. Box: 5357, Manama, Bahrain, Tel: 2341 8556
DUBAI Tel: 690233/9 P.O. Box: 1170 Dubai, Tel: 2341 8556
KUWAIT Tel: 810855 P.O. Box: 148 Safat, Kuwait, Tel: 2302
QATAR Tel: 321708/7 P.O. Box: 2171 Doha, Qatar, Tel: 2144 2333
OMAN Tel: 702865 P.O. Box: 1062 Muscat, Oman, Tel: 3329, Al-Futtaim MB

OASIS TRADING & EQUIPMENT CO.

For reservations contact your travel agent, airline or Inter-Continental hotel worldwide

M.T.

CONSTRUCTION

UNITED ARAB EMIRATES

KHANSAHEB GAMMON LIMITED

P.O. BOX 1912 : SHARJAH : U.A.E.

Telex: 8109 KHAGAM EO

Telephone: 22760

General and Public Works Contractor
Civil and Marine Construction
Commercial and Industrial Buildings
and Mechanical Erection Main Contractor
Joint Venturer Sub-Contractor

A MEMBER OF THE GAMMON GROUP OF INTERNATIONAL CONSTRUCTION COMPANIES TRADING THROUGHOUT ASIA SINCE 1920

AN ARAB JOINT VENTURE COMPANY SPONSORED BY THE
KHANSAHEB GROUP OF U.A.E. AND THE GAMMON GROUP
OF COMPANIES REPRESENTED BY:

GAMMON (HONG KONG) LTD.**GAMMON INDIA LTD.****GAMMON EASTERN UNION LTD.**

For other Middle Eastern countries The Group is represented through:

GAMMON SERVICES LTD.12 Lower Grosvenor Place,
London SW1W 0EZ

Telex: 919258

Phone: 01-828 0106

GAMMON MIDEST LTD.P.O. Box 1912
Sharjah, U.A.E.

Telex: 8109

Phone: 22760, 22325, 356487

TRADE

Declining surplus

The UAE's balance of payments has been much of a topic for discussion in the Federation. In 1977, the balance was a positive trade balance of \$5.7bn last year, about the same as in 1974, there would have been nothing to discuss. However, figures newly collated and recently published by the UAE Currency Board show that the overall balance of payments in 1977 of \$2bn in 1978 has declined to \$578m for 1977.

As the UAE is a considerable oil exporter, producing about 6 per cent of OPEC's oil, it has been able to compensate for the massive increase in imports since 1974, from \$1.7bn to \$4.3bn last year. Oil income in the same period has risen from \$2bn to \$9bn, thus producing the comfortable trade balance.

But fast increasing cash outflows on current account — "invisible" imports such as services, private sector capital transfers, remittances by the half million of so immigrants, etc. — brought the current account surplus to less than half the trade surplus in 1977, a figure of \$1.2bn. This is still a comfortable margin, but the trend is towards a reduced surplus, and this year's cut in Abu Dhabi's oil production could accentuate it.

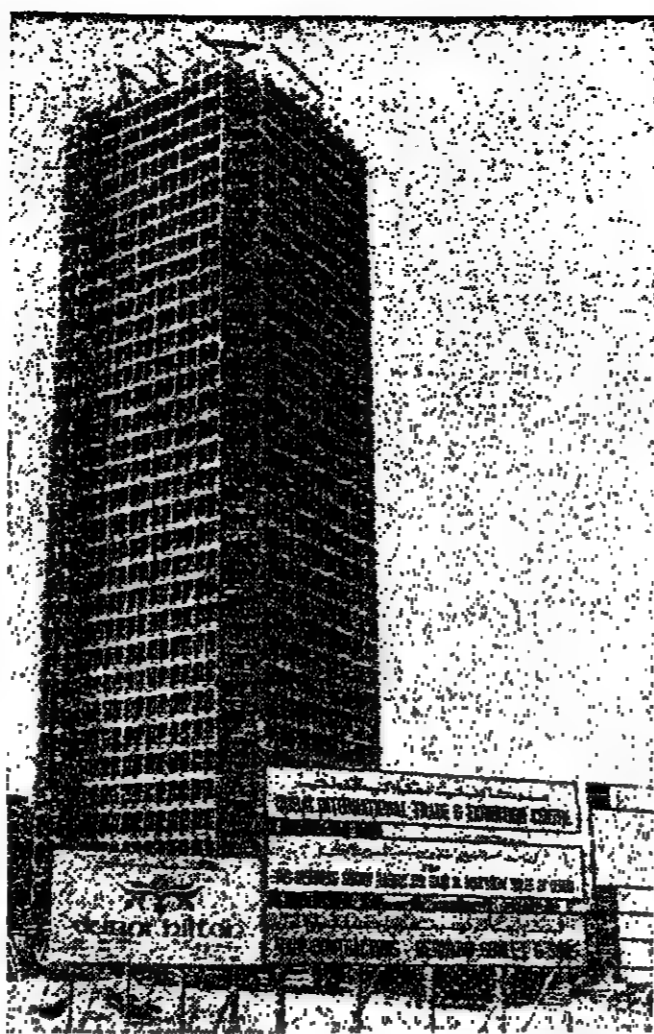
1977 was a year of unusual activity in any of the major foreign exchange consuming activities. Although imports were up to \$4.3bn from the \$2.8bn of 1976, a similar billion dollar increase was recorded in 1975 over 1974. 1976 itself, in import terms, was rather a depressed year as the UAE's ports were so congested that it took months to deliver cargoes.

Moreover the level of capital payments in 1977 (\$2.2bn) was not wholly exceptional; the figure was as high as \$1.6bn in 1974. Abu Dhabi is generous, and it is also a large-scale investor, both in the western world and in regional Arab organisations. While the current account balance indicates the cost in foreign exchange of maintaining an economy such as that of the UAE, the capital account shows the limited degree to which oil revenue surplus states can employ their funds at home, and reflects the aid payments which are to some extent incumbent upon such states.

Surplus

For the Emirate of Abu Dhabi itself, the balance of payments picture shows a comfortable surplus of around \$1.8bn for the first three quarters of last year. (Later figures for the Emirate were not available in time for inclusion in the Currency Board's latest quarterly report.) Even if Abu Dhabi's generous aid disbursements, which account for most of the money given or lent by the UAE, were subtracted, it would leave a balance of \$9bn or thereabouts over imports of around \$8.8bn for the first three quarters of 1977. Abu Dhabi itself is only directly responsible for about a third of the UAE's total import bill.

The Abu Dhabi picture is distorted by the fact that an unquantified proportion of its imports come into the UAE via Dubai, the main port of the federation.



Any attempt to draw up a meaningful trade balance for Dubai is difficult because of the fact that many of its imports are for other Emirates and because part of its trade is unrecorded, while the absence of accurate data makes the compilation of a balance of payments table almost impossible.

The Dubai International Trade and Exhibition Centre, the tallest building in the Middle East, is being constructed by Bernard Sunley at a cost of £109m. The complex, which was designed by John R. Harris and Partners, includes a 352 bedroom hotel, exhibition hall and 500 apartments.

Year totalled about \$4.7bn. Virtually half of all the money borrowed in Dubai is used to finance trade in some form or other. This Abu Dhabi's surplus foreign exchange is percolating down to Dubai where it pays for the imports coming through Port Rashid. Dependence on Abu Dhabi as a source of foreign exchange applies in the other Emirates to a greater or lesser degree and is a key factor in their interdependence.

When work on Abu Dhabi's industrialisation project, at Ruwais gets seriously under way (albeit on a more limited scale than was originally planned), it is likely that most of the imports will go directly to it, thus cutting Dubai's role as the main port for the Emirates and possibly reducing the supply of foreign exchange from Abu Dhabi for the financing of imports through Dubai which are not directed towards Abu Dhabi.

As to the calculation of Dubai's payments situation, this is obscured by uncertainty about its invisible earnings from commerce, and about its invisible payments. Though these must make up a fair proportion of the "Other current account" item in the UAE's balance of payments table, which amounts to \$3.2bn. The question of the Ruler of Dubai's commercial borrowing (debt servicing costs now amount to about 20 per cent of oil exports) is, from the point of view of lenders to Dubai, largely a question of setting the Ruler's debt service costs against his oil and other revenue, and this is dealt with fully in the article on Dubai, II.

Partner

The UAE's most important trading partner is Japan, which buys 26 per cent of the Federation's oil, is a significant partner in the Abu Dhabi oil industry and supplies over a fifth of the Federation's imports. Japan's exports to Dubai alone were valued at \$654m at the end of 1977, while exports to the whole UAE were \$610m in 1976. The depreciation of the dollar during 1977, the currency in which oil is priced, and the steady rise in the yen contributed their mite to the erosion of the surplus.

The UK's share of the UAE market (that which is imported through Abu Dhabi and Dubai) has gradually shrunk since 1970, when it made up 28.5 per cent, to about 15 per cent in 1977. Naturally, of course, the value of British exports to the UAE has risen enormously, reaching \$455m in 1977, compared with \$22m in 1970. Britain is in a respectable second place among the UAE's suppliers, followed by the U.S. (with about 10 per cent of the market) and then Italy and France. Despite the coming on stream of North Sea oil, British imports from the UAE rose from 200m in 1974 to £259m in 1977.

D.T.

هكذا من الأصل

Amro Bank now in Dubai



The Amsterdam-Rotterdam Bank N.V. (Amro Bank), the leading commercial bank in Holland, now has a branch in Dubai, United Arab Emirates, with Mr. Alex Gillies as General Manager and Mr. Harris ten Cate as Assistant General Manager.

Amro of course has been providing its commercial and investment services for quite some time in the Gulf Region. But with trade and investment increasing — in an area where personal contacts are of crucial importance — Amro now intends to extend its services through a local branch.

The Dubai Branch is well placed to assist business and industry in the Gulf Region

with services like foreign exchange, trade finance, money market transactions, interbank lending, euro-currency credits, syndicated loans, guarantees, bid and performance bonds, documentary credits, collections, mail and telegraphic transfers and trade promotion.

To discuss these services in detail, please contact:

Amro Bank (Dubai Branch)
Chamber of Commerce Building, Third Floor,
P.O. Box 2941, Dubai, United Arab Emirates.
Telephone: 222283/4/5
Telex: 6778 amro em.

6777 amrox em (Foreign Exchange)

amro bank

amsterdam-rotterdam bank nv

Head Offices: 595 Herengracht, Amsterdam, Telex 11008

119 Coolingsingel, Rotterdam, Telex 22211

London Branch: 29-30 King Street, London EC2V 8EQ, Telex 887139

Branches, subsidiaries or representative offices in Antwerp, Curaçao, Dubai, Jakarta, London, Tokyo and elsewhere in 21 countries.

UAE BALANCE OF PAYMENTS*

	1974	1975	1976	1977
Merchandise Trade				
Exports	+7,088.6	+6,902.8	+8,412.1	+9,155.9
Imports	-6,071.1	-5,823.9	-6,970.5	-7,669.0
Trade balance	+1,017.5	+1,078.9	+1,441.6	+1,486.9
Other current account	+968.0	+899.7	+1,344.3	+1,422.2
Current account balance	+1,985.5	+1,978.6	+2,785.9	+2,909.1
Capital and official transfers				
Official grants, loans	-348.6	-886.0	-1,030.1	-1,046.6
Official borrowings	-191.5	+82.5	+204.1	+257.7
Official direct investment	-261.3	-61.3	-250.3	-103.1
Official direct participation	-52.1	-154.0	-248.5	-593.0
Official sector	-554.7	-299.4	-173.2	-128.9
Capital account balance	-1,017.5	-1,419.3	-1,106.1	-2,237.6
Overall surplus	2,002.8	1,493.3	2,287.4	377.8

* Dollar figures based on UAE Currency Board dirham estimates, November, 1977 Bulletin.
@ D1 3.65 = \$1.00.

We design and supply

thermal power stations
equipment for hydraulic power stations
steel bridges
cranes and steel structures

We offer you:
○ worldwide technical experience
○ favourable financing terms
○ delivery on schedule
○ erection, commissioning and maintenance

We are, or have been, contractors for the following projects:

Abu Dhabi Power Station, United Arab Emirates
Sitra Power Station, Bahrain
Almaqta Bridge in Abu Dhabi, United Arab Emirates
Aswan Dam, Egypt
Fahrahaz Pahlavi Dam, Iran
Bandar Shahpour Mine, Iran
MINAB Project, Iran
Halawani Bridge, Saudi Arabia

**WAGNER
BIRO**

Head office:
Margaretenstraße 70, A-1051 Vienna, Austria
Tel. 57 95 45, Telex: 11 832 wabiw a

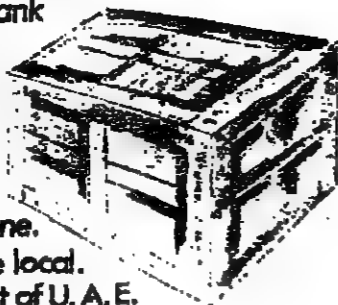
UNITED ARAB EMIRATES XXII

SOCIAL WELFARE

Painful readjustment

U.S. \$ 4500 million
 - the estimated worth of merchandise imported by the U.A.E. alone.
What was your share?

The world's highest per capita income consumer lives in the U.A.E., and Middle East Bank can help you reach him. Make the right connections for you. Advise you on the local scene. Because we're local. A part of U.A.E.



The "Friendly Network".



بنك الشرق الأوسط المحدود

Middle East Bank Ltd.

Incorporated in Dubai, U.A.E.

Branches in Dubai, Sharjah, Abu Dhabi, Ras al Khaimah and Al Ain

Head Office: P.O. Box 5547, Dubai, United Arab Emirates.
 Tel: 220121-7, Tlx: 6074 MEBNK EM, Cable: MEMAINBANK

We are specialists in Cosmetics, Perfumes, Soaps, Dry Battery Cells, and can provide technical know-how for setting up new factories.

Contact
 M. I. ALLAWALA.
 Post Box 7450 Karachi. Telex: 2766.

IT IS not an uncommon sight to see a gleaming new Mercedes outside a simple house in a UAE village—with the owner's coat of arms on the door. While the UAE's wealth has percolated down in some form to the poorest citizen, it is going to be a few more years before many adjust to the new life. The complete social upheaval of the last ten years, or so, is something no nation could absorb without some painful readjustments. It is perhaps remarkable that the country has been able to absorb so many changes in such a short time.

UAE nationals receive free medicine, housing and education and if they feel they have a personal grievance they are always free to visit the Ruler at his daily mail to air their complaints.

Generally it is the federal Ministry of Social Affairs which deals with welfare cases, making payments to certain categories of citizens, including widows, divorced or deserted women, orphans and illegitimate children. A family may receive up to Dh 1,800 (\$400) a month in social security payments, and according to official statistics about three per cent of the population receive such allowances.

Much of the administration in the social services department, as in other government ministries, is undertaken by non-nationals because there are not enough locals who are able or willing to take such jobs. This, coupled with the large number of western expatriates who have come into the country, has created social difficulties for the poorer Arabs. Not only do they have to deal with a new way of life imported by the foreigners but they also have to turn to strangers for guidance.

In the last 10-15 years, new schools, roads, townships and hospitals have advanced into the traditional desert existence, forcing even the most confirmed bedouin to adopt new life styles. A major drive has been made to encourage the Bedouin tribesmen to give up their nomadic existence and settle in townships, giving the growing generation the benefits of stability, education and medical care.

The Federal budget last year allocated Dh 570m (\$144m) for housing, through the Ministry of Public Works, and the most concerted attempts at a rehousing policy have been made in Abu Dhabi and Al Ain. Poor families are not only rehoused but are provided with free services including water and electricity and financial help to buy furniture and other household goods.

While low income housing, usually in one- or two-storey concrete blocks, is provided free for those in need, encouragement is also given for

self-help interest-free loans with long repayment terms are given to government employees to build their own homes, and land is also given for self-build schemes with few restrictions on site and style of house. In addition to Federal plans individual Emirates have their own plans for low income housing and also make periodic attempts to demolish shanty towns on the edge of towns and provide something more permanent than just corrugated iron and barasti.

Difficult

However, a house and cash are not going to turn a bedouin tribesman into a modern citizen overnight and careful help by social workers is needed to help families adjust. This can be difficult, as barriers of suspicion take a long time to break down and many families resent what they see as prying by outsiders, a problem made worse by the fact that many social workers are foreigners. There is another difficulty for social workers visiting these shanty towns: that of locating the right house, as there are no addresses, road layout or recognizable landmarks. The mass of barasti huts can contain any number of people and animals, and keeping a check on them is almost impossible.

Health visitors trying to keep in contact after a patient has been to a clinic or hospital

frequently encounter such difficulties. Even when they manage to locate the house they may well be refused entry by the suspicious family.

However, in general medical treatment in the UAE is one of the relative success stories of the country, and traditional fears are gradually being overcome as trust between doctor and patient is built up. About Dh 450m (\$87m) was allocated for health this year in the federal budget, and the eventual aim is to bring the ratio of doctors to patients to one to 1,000.

In Abu Dhabi there will be a total of 14 hospitals at the end of the year when two new 320-bed units open. Most are staffed by British and Asians as well as foreign Arab staff, although it is becoming more difficult to find suitable staff. Recently the Director of Overseas Health of a major hospital management company warned that if the present rate of hospital building in developing countries, especially the oil states, continued, in five years the entire spare resources of the western world would be exhausted. However, the UAE Health Minister Abdul Kalim Jafar scotched this suggestion, commenting: "Working abroad has always appealed to doctors and nurses. We can offer better salaries, and promotion and specialisation are often quicker."

Certainly there is no lack of hospital expansion in the UAE. In Abu Dhabi itself a 510-bed hospital is under construction in Maqra, 40 km from Abu Dhabi. Work on the hospital, which will cost \$58m, started last October, and it should be finished by October, 1978. The majority of patients will come from 5,000 new villas—a township on the Abu Dhabi-Al Ain road as well as from Abu Dhabi National Oil Company's new offices nearby.

In Sharjah the 100-bed Al Qasim hospital, which opened over a year ago, has overcome the majority of its teething troubles, which stemmed mainly from overcrowding. Allied Medical Group, which manages it, is seeking compensation for the extra cost of dealing with two and a half times the number of outpatients planned for. A total of 130,000 were seen in the first year and it is now planned to extend the hospital with a further 20 beds.

Dubai retains control of its own medical facilities outside the federal network. Both hospitals, the Rashid and Al Maktoum, are in the process of being extended at a cost of over \$100m and a new 635-bed hospital is being built. A modern central services complex was finished this year, capable of catering for an expected population of 400,000 in 1980.

Celia May

EDUCATION

Heavy spending

THE UAE university at Al Ain, which opened last year, crowns an education system built from virtually nothing in less than 20 years. The university is now in open an engineering faculty which is an important step to keep pace with the growing technological needs of the country.

Education officials from the Minister downwards are proud of the university, which has meant that students now no longer have to go abroad for further education. When it opened last September 300 students were expected to enrol, but in fact 500 arrived on the first day. Many of them were girls who would almost certainly never have had the opportunity of continuing higher education abroad. In addition to giving them education the university has opened the door to emancipation.

However, a university is of little use unless it is supported by effective schooling lower down the scale, and the UAE is making a determined effort to raise standards all round. An increasing slice of the budget is now being spent on education. In 1972 only Dh 62.5m was spent, while the current figure is Dh 550m. Development allocations have also risen dramatically, from Dh 14.2m in 1973 to Dh 300m in 1976. And this year the Ministry of Public Works set up a special committee to look for sites for 110 new schools, which it is planned to build at a cost of more than Dh 800m.

Indeed, for the construction industry, building schools is an important growth area, and there are often over 30 companies tendering for every new school.

There are now 153 schools in the UAE, the majority in major urban areas but increasingly in the more remote northern regions. Formal education has

been compulsory since 1971, although there are still youngsters between six and 12 who do not receive education. They are generally from those sparsely populated areas where there are no schools, and parents are often suspicious of boarding facilities. This is one reason why such determined attempts have been made to settle the bedouin. If families are still leading a nomadic existence there is small chance of getting their children into school.

Incentive

Cash grants of up to Dh 160 a month for a secondary school pupil give parents added incentive to send their children to school. However, there is no real system of inspection or enforcement, so if a father is determined to keep his child at home there is not much the authorities can do—if they ever find out in the first place.

Some older UAE nationals still prefer to bring their sons into the family business at 13, believing that he learns more in the world of commerce than from reading books. However, the total student population has more than quadrupled in the last seven years. Official figures show that 97,000 children are at schools, compared with 24,000 in 1970, and this does not include those at private schools. There are also 300 students studying abroad and 15,000 in adult teaching centres.

Schooling is provided in three stages: primary, for children from six to 12; preparatory from 12 to 15; and secondary from 15 to 18. Primary education is compulsory and the teaching of English as a second language begins in the third year when pupils are aged nine. There are now two primary school teaching training colleges in Dubai and Sharjah, and

Dubai also has a commercial and industrial college, while an agricultural institute has been established in Ras al Khaimah.

An Ain University, which has a curriculum based on the American college system, should help to give nationals the necessary skills to run their increasingly technical country, but it will be necessary to send students abroad for further education for many more years yet. However, encouraging youngsters to take the right sort of subjects and then seeing them through to graduation is vital if the country is ever to reap the rewards of its investment. Engineering, medicine and commercial studies are the most widely read subjects, and in addition to undergraduates studying abroad there is a continual flow of working professionals to Europe and the U.S. for specialist courses.

Dubai police force is a good example of this trend. Large numbers of local officers have studied at Hendon College in the UK and specialists in the criminal investigation and

CONTINUED ON NEXT PAGE



Established in 1976 and successfully blending lubricants for all types of requirements in the local market to international standards

Prompt and free delivery:

P.O. Box 1575, Sharjah, U.A.E.

Telephone: 356455, 354435 & 355354
 Cable: SHARLU
 Telex: 8091 SHARLU SH



AL MASAOOD

MOHAMMED BIN MASAOOD & SONS
 (Head Office)
 Post Box 322, Abu Dhabi (U.A.E.)
 Cable: ALMASAOOD
 Tel: 41370-41167-41236
 Telex: 2249 MASTOB AH

AL MASAOOD ENGINEERING & CONTRACTING CO.
 Construction & General Contracting
 ABU DHABI
 PO Box 102—Tel: 22395

AL MASAOOD BUILDING MATERIAL CO.
 Cement—Steel—Wood
 Abu Dhabi—Al Masood Building
 PO Box 790—Tel: 41285

GULF TRAVEL & SERVICES BUREAU
 Abu Dhabi—Al Masood Building
 PO Box 306—Tel: 41232-41991
 Telex: 2459 TRAVEL AH

MASAOOD SHIPPING CO.
 PO Box 2403—ABU DHABI
 United Arab Emirates
 Tel: 41370-41167
 Telex: 2383 MASSHIP AH

MASAOOD MARINE SERVICES
 Shipbroking, Chartering & Management
 PO Box 322—ABU DHABI
 United Arab Emirates
 Tel: 41370

ABU DHABI ALUMINIUM FACTORY
 PO Box 685—ABU DHABI
 United Arab Emirates
 Tel: 22733

EMIRATES AIR SERVICE
 PO Box 322—ABU DHABI
 United Arab Emirates
 Tel: 29202, Airport 77239
 Telex: 2249 MASTUB AH

BRANCHES AT:

AL-AIN
 Ahmed Bin Juma Bldg.
 Tel: 41422-40 Box 1241

DUBAI
 Airport Road
 PO Box 3945 Tel: 24708

SHARJAH
 Al-Oruba Street
 PO Box 390 Tel: 23797

RAS AL-KHAIMA
 Main Road
 PO Box 173 Tel: 2446

UM AL-QUWAIN
 PO Box 107 Tel: 6618

BUKHATIR INVESTMENTS GROUP

ENTERPRISE FOR THE ECONOMIC DEVELOPMENT OF THE EMIRATES

Alumtech (UAE) Ltd
 Architectural Consultants
 Blakdown (Gulf) Ltd
 Bucmac Ltd
 Bukhatir Maschinen Ltd
 Conforce (Gulf) Ltd
 Conmix Limited
 Eastern Contracting Company
 Enitac Limited

Aluminum Fabrication
 Consulting Engineers
 Landscape Consultants
 Civil Engineers and Contractors
 Shipping and Travel Agency
 Civil Engineers and Contractors
 Ready-mix Concrete and Mortar
 Civil Engineers and Contractors
 Airconditioning, Specialised Electronics
 Property Management and Development
 Hotel Ship
 Heavy Machinery, Engineering Consultants

International Trading & Contracting (Gulf) Ltd
 Marbella Club Sharjah Ltd
 Modern Hotels Ltd

National Hotels Limited

Nico-Miller Ltd
 Plastform (UAE) Ltd
 Sharjah Real Estate Company
 Terezo Tiles Ltd
 Trade House Inc

Turnkey Projects and Trading
 Luxury Villas and Club
 "Novelet", Sharjah Beach—140 rooms
 "Holiday Inn" Sharjah—250 rooms
 Civil Engineers and Contractors
 Polystyrene and foam products
 Land Development
 Tile factory
 Imports, Building Materials and Construction equipment

BUKHATIR INVESTMENTS LIMITED

P.O. Box 88, Sharjah, U.A.E.
 Telephone: 2401-3
 Cable: SALAAR
 Telex: 8033 SH BURKAT

ABDULLA BIN AHMED ZAROUNI AND BROS.

WE ARE ONE OF THE FOUNDER LOCAL COMPANIES OF ABU DHABI

LET US HELP YOU ESTABLISH YOURSELVES IN OUR COUNTRY

1—CONSTRUCTION

Sponsorship
 Joint venture

2—LIGHT INDUSTRY

Joint venture

3—HELP WITH ALL

Government legalities

TRADING IN:—

—Construction Machinery
 —Generators
 —Tyres
 —Road Construction Machinery
 —Pumps
 —Welding Equipment
 —Compressors
 —Material Handling Equipment
 —Transport Equipment
 —Specialised Equipment for Industry

ABDULLA BIN AHMED ZAROUNI AND BROS.

P.O. Box 283, Abu Dhabi. Tel: 41823. Telex: 2351.

Branches in:—Dubai and Al Ain

HOUSING

Property boom collapses

THE UAE's feverish property boom is over. There is now overcapacity in some sectors of the market, rents have begun to fall and the tenant is at last getting a better deal.

The effects are most obvious in Sharjah, where there is an almost embarrassing number of empty buildings, but Abu Dhabi has been affected and so, to a slightly lesser extent, has Dubai. Yet in all three centres building work on apartment buildings and offices is going ahead, putting more and more property on to the market.

Easily available credit, spare cash and the self-generating effects of a boom led to fantastic growth of property building—in the years following the 1973-74 oil price rise. It was not difficult for many UAE nationals to obtain title to some land and to get a bank loan to build on it. The result was that last year an unfurnished villa in Jumeirah, the most fashionable suburb of Dubai, could cost up to Dh 140,000 (\$35,000) a year, while a flat in Abu Dhabi could cost around Dh 80,000 (\$20,000).

What is more landlords would provide nothing, often not even air conditioning units, and they would also demand rent in advance. It was not unknown for companies to pay five years rent in advance, although it was more usually two years. Moreover if the ceiling fell in or rain gushed through the roof during the winter the landlord would be likely as not say it was the tenants' problem. Most companies had to foot the bill for interior decorating and all other extras.

The boom collapsed last summer partly because it was gradually realised that the market was becoming over-supplied and partly because the credit restrictions imposed by the UAE Currency Board last May sharply curbed economic growth. With buildings still coming on to the market rents stabilised and in some cases dropped, so that landlords who had hoped to make a fast return on their investment were disillusioned. Because of the oversupply of property, landlords realised that they would have to provide maintenance and services if they were to keep their tenants from moving out to more desirable property.

The result is that the more recently completed buildings are of a better standard, while the older ones are in many cases being upgraded. The tenant may not in every case be paying a lower rent but he is getting more for his money, and



New towers blocks on Zayed the Second Street in Abu Dhabi dwarf immigrant dwellings.

shanty towns, basically occupied by Asian manual workers and poor foreign Arabs. Their presence embarrasses governments and there have been attempts to clear them and provide low cost housing, especially in Sharjah and Abu Dhabi. Thousands of low cost homes have been built and given away to UAE nationals who are also given furniture, free electricity and free water. Other local nationals are given plots of land to build their own homes.

Budget

The Ministry of Public Works announced a budget of Dh 577m for housing this year, considerably more than the Dh 323m earmarked for 1976 when a target of 2,700 homes was set.

Individual Emirates also take some responsibility for building low cost homes. Abu Dhabi, for instance, budgeted a total of Dh 111m in 1978 compared with Dh 51.4m the year before. Even before oil prices were raised Abu Dhabi was spending 8 per cent of its budget on housing.

This has now fallen in proportion to income, partly because housing is now shared between local and federal government. While announcements are made regularly about the number of homes to be built in any year it is difficult to check on whether the target is actually reached, but it is probably only in Abu Dhabi, where the money has been regularly available, that projected figures have been attained. A scheme is underway in Abu Dhabi and Al Ain to build 5,000 homes while Sharjah's plans to build several thousand low cost homes for teachers foundered through lack of funds.

The problem of the shanty towns and labourers' camps is a thorny one since in general they are not occupied by nationals. However, as a source of disease and threat of fire such barracks townships present an obvious hazard, but so far there has been little real attempt to do anything about them.

C.M.

LINKING THE MIDDLE
EAST TO EUROPE
WITH A SMILE
AND MAKING THE BEST
OUT OF IT

YOU HAVE ONE NAME—
THE GROUP OF

**BANQUE LIBANAISE POUR
LE COMMERCE**

BANQUE LIBANAISE POUR LE COMMERCE S.A.
HEAD OFFICE

Riad El Solh Street—P.O. Box 11—1126—BEIRUT/LEBANON
Cable: BANCOLIBA—Tel: 240820 (7 lines) 221020 (3 lines)
Telex: BALIBA 20703 LE—General Management
Telex: BALFOX 21565 LE—Foreign Exchange
And a network of 30 branches

BANQUE LIBANAISE POUR LE COMMERCE (FRANCE) S.A.
HEAD OFFICE

7, Rue Auber—75009 PARIS
Cable: BANCOLIBA—Tel: 742 33 89+
Telex: BANLIBA 22014—680415

BRANCHES IN
UNITED ARAB EMIRATES

ABU-DHABI BRANCH

Al Khalifa Street—P.O. Box: 3771
Tel: 25260/20920—Telex: 2862 BALIB AH.

DUBAI BRANCH

Al Maktoum Street—P.O. Box: 4207
Tel: 22291/28176—Telex: 2862 BALIB DB

RAS-EL-KHAIMAH BRANCH

Al Sabah Street—P.O. Box: 771
Tel: 29547—Telex: 9174 BALIB RK

SHARJAH BRANCH

Al Orouba Street—P.O. Box: 854
Tel: 354561/355161—Telex: 8088 BALIB SH

BANQUE LIBANAISE POUR LE COMMERCE (GENEVA) S.A.

9, Place de la Fusterie—GENEVA
Tel: (022) 215011—Telex: 22924 BALIB CH

JAWAD ABDULHUSSAIN SAJWANI GROUP OF COMPANIES

Head Office

JAWAD HAJI ABDULHUSSAIN
SAJWANI & CO.

P.O. BOX 178, DUBAI

Telex: 5583 SJWANI & 6764 SABAH

Tel: 225293

Directors' phones: 223099, 226365 & 222650

Importers and Exporters of Commodity Items,
Rice, Sugar, Canned Foodstuffs, Dairy Products,
Juices, Squashes, Jams, Jellies, Cement and
Building Materials, etc., etc.

Branch Office
JAWAD HAJI ABDULHUSSAIN SAJWANI
& CO.

P.O. BOX 730—SHARJAH

(Telex: 8480 NTDC—Telephone: 22615)

Imports, Exports, General Trading and Contracting

London Office:
AL-SABAH
ENTERPRISES LTD.
5-5 Maddox Street
Mayfair
London, W.1
Telex: 288816 SABAH
Tel: 01-493 8251/2

Singapore Office:
SAJWANI TRADING
CO. (S), PTE. LTD.
2506A Clifford Centre
Raffles Place
Singapore-1
Telex: 28596 ZUHAIH
Tel: 374411

Associate Offices in UAE
NATIONAL TRADING & DEVELOPMENT
CO. LIMITED

P.O. BOX 730—SHARJAH

(Telex: 8480 NTDC—Telephone: 354156)

Importers of Aluminium, Glass Sheets, Building Materials

PARAGON CENTRE P.O. Box 336
Sharjah

IFFEL CONSTRUCTION CO.
P.O. Box 730
Sharjah

Importers of all types of electrical items, electronic goods, air-conditioners, washing machines, tape recorders, TVs, Cameras and allied equipment.

Karachi Office
TRADE MARINE AGENCIES LTD.
36A/2 Lalazar Drive, Karachi
(Telephone: 551253)
Shipping Agents, Freight Brokers and General Merchants

EDUCATION

CONTINUED FROM PREVIOUS PAGE

drugs department frequently attend courses in the UK.

All students studying overseas are sponsored by the Ministry of Education and given monthly grants, as well as reimbursement for fees, books and clothing expenses.

For older citizens who missed out on education when they were young, there is increasing opportunity for adult education. Classes for citizens unable to read and write are held regularly, and there are now over 100 centres attended by over 10,000 people.

The British Council, which has branches in both Abu Dhabi, and Dubai, plays an important role here in teaching English to adults, foreigners and Arabs alike. The classes are extremely popular, so much so that the British Council in Dubai decided to close the hall to public functions such as locally produced amateur dramatics in order to give more time for its prime role of teaching.

The majority of teachers in local schools are foreign and as yet there are few who are UAE citizens. This will change as

their own teacher training colleges and those abroad turn out more teachers. Federal schools are still overcrowded and tend towards a traditional approach to learning. Problems are further encountered by the multilingual nature of UAE society and language problems can arise. Arabic is the first language, but not all school children are Arabs by birth, so they have to master the language before teaching can begin. However, as so often happens in a developing country, the children rapidly become better educated than their parents. It is not uncommon in shops to see a youngster translating English signs for his mother.

Languages

Language difficulties have prompted the opening of private schools teaching in a variety of languages, including Urdu, English, German, French, etc. Most nationalities have established their own schools, but in general fees are high, and particularly in the case of Pakistan and Indian schools, pressure for places results in overcrowding and fierce competition. Private schools attract local pupils, as well as foreigners. Dubai has a very successful bilingual Arabic and English school which takes all nationalities and follows an English system. The child spends part of the day learning in one language and part in the other—an experiment which seems to work very well.

Dubai recently announced that it will open a new international school based on the British education system and taking children up to "O" and ultimately "A" level. It will start with temporary classrooms and approximately 80 children, but by January should move into a new purpose-built complex. It will be the first time in Dubai that a school has offered a totally British style of education for children above 11. Annual fee, of Dh7,000 and a debenture of Dh20,000—however, that private education is costly.

C.M.



**your friend
in the gulf**

To reach a growing number of customers, we now have as many as eight branches in the U.A.E. and two in the Sultanate of Oman.

U.A.E.
ABU DHABI (2) RAS-AL-KHAIMAH
DEIRA UMM-AL-QUWAIN
DUBAI FUJEIRAH

SHARJAH

SULTANATE OF OMAN

MUTTRAH RUWI

Air equipped to serve you.
No service is too small for us, no place too far.
Wherever you may be, come to.

Bank of Baroda

A network of over 1275 branches in India and abroad—in Belgium, Fiji Islands, Guyana, Kenya, Mauritius, Sultanate of Oman, U.A.E. and U.K.

For Complete Shipping Service
CONTACT

QUE SHIPPING COMPANY LTD.

(Ship Owners, Liner and Trampship Agents, Chartering and Ship Brokers)

Specialising in:
1. Container R.O.-R.O. Handling
2. Independent Terminal Handling
3. Door to Door Delivery
4. Freight Delivery

QUE SHIPPING COMPANY LTD.

P.O. Box 2578, Dubai, U.A.E.
Telex: SEAGUL DB 5520 Cables: SEAGULL
Telephone: 431151, 431152
After Office Hours 432825, 471123, 459512

A.W. GALADARI HOLDINGS (PRIVATE) Ltd.
DUBAI

Swiss Fr. 40,000,000.
Five years fixed rate loan.

Managed and provided by:

Swiss Bank Corporation
Bahrain Branch

Amsterdam-Rotterdam Bank N.V.
Dubai Branch

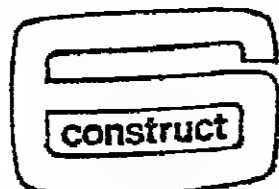
June 1978.

C.M.

UNITED ARAB EMIRATES XXIV

CONSTRUCTION

Development at a peak



SIX CONSTRUCT LIMITED
U.A.E.

SHARJAH P.O. BOX 1472

TELEX: 8023 TELEPHONE: 355575
23453
354136

ABU DHABI P.O. BOX 226

TELEX: 2339 TELEPHONE: 22579

BRANCHES

THROUGHOUT THE U.A.E. AND THE GULF STATES

CONSULT US FOR ALL YOUR REQUIREMENTS IN
THE CIVIL ENGINEERING AND BUILDING FIELDS

HARBOURS — BREAKWATERS
JETTIES — INDUSTRIAL PLANTS — REFINERIES
FERTILIZER — CEMENT — POWER PLANTS, ETC.
ROADS — PILING — BUILDINGS — QUARRIES

The company is fully backed by

SIX CONSTRUCT INTERNATIONAL S.A.

5 Ave Galilee, 1030 Brussels, Belgium

with affiliated companies and branches in
FRANCE, IRAN, IRAQ, OMAN, SPAIN
SUDAN AND MANY PARTS OF AFRICA

Part of the S.B.B.M. group of companies

WE CARRY AIR CARGO TO UNUSUAL LENGTHS

Shipping air cargo is often a costly and complex task. IML Air Services Ltd. can help you with all your air cargo requirements. We carry cargo to unusual lengths, including to and from remote areas. Call us today for a free quote.

IML AIR SERVICES TO RELY ON
IML Air Services Ltd., IML Air Centre, Dolphin Estate
Windmill Rd, Sunbury, Middlesex
Tel. Sunbury 85599 Telex: 8811248 (IMLAIR)
International offices: Dubai, Lagos, Kano,
Amsterdam, Hong Kong, Lusaka

DESIGN YOUR CLIENT'S KITCHEN WITH THESE BENEFITS IN MIND

1. **SAVE SPACE** — The Jeevan water tap is compact and fits into any kitchen. It has a built-in water filter and a built-in water heater. It is the perfect solution for small kitchens.

2. **SAVE WATER** — The Jeevan water tap has a built-in water filter and a built-in water heater. It is the perfect solution for small kitchens.

3. **SAVE ENERGY** — The Jeevan water tap has a built-in water filter and a built-in water heater. It is the perfect solution for small kitchens.

4. **SAVE MONEY** — The Jeevan water tap has a built-in water filter and a built-in water heater. It is the perfect solution for small kitchens.

5. **SAVE TIME** — The Jeevan water tap has a built-in water filter and a built-in water heater. It is the perfect solution for small kitchens.

6. **SAVE SPACE** — The Jeevan water tap is compact and fits into any kitchen. It has a built-in water filter and a built-in water heater. It is the perfect solution for small kitchens.

7. **SAVE WATER** — The Jeevan water tap has a built-in water filter and a built-in water heater. It is the perfect solution for small kitchens.

8. **SAVE ENERGY** — The Jeevan water tap has a built-in water filter and a built-in water heater. It is the perfect solution for small kitchens.

9. **SAVE MONEY** — The Jeevan water tap has a built-in water filter and a built-in water heater. It is the perfect solution for small kitchens.

10. **SAVE TIME** — The Jeevan water tap has a built-in water filter and a built-in water heater. It is the perfect solution for small kitchens.

JEEVAN — The perfect solution for small kitchens.

SOTINMAR SHIPPING U.A.E.

- STEAMSHIP AGENTS
- CLEARING & FORWARDING AGENTS
- FREIGHT BROKERS
- PROJECT CONTRACTORS
- F.C.L.—L.C.L. DE GROUPE FACILITIES

... "AND SERVICE IS OUR BUSINESS"

AGENTS FOR MAJOR CONTAINER & RO.RO. OPERATORS—BREAK BULK & REEFER LINES

TEL. 228093, 220261 P.O. BOX 1579.
TELEX. 6144.6398 DUBAI.
U.A.E.

LAST MONTH the biggest ship ever to dock at Dubai's Port Rashid, the 37,404-ton O-rka-registered Sun Dragon, came in bearing 44,000 tons of bagged cement. Dubai bankers have been reporting a recurrence of what has been called the "Dubai disease" whose primary symptom is a rush by every second bank trader to open a letter of credit in favour of some far-flung cement supplier.

Though this raises memories of the speculative over-ordering of cement which ended in a crash less than two years ago, the fact is that—despite what social gossip would have one believe—there is still a construction boom in the UAE. Private sector building is rapidly dying down after last year's recession, but both Dubai and Abu Dhabi are likely to spend record amounts on development this year, while the implementation of the federal budget is constantly rising. The total value of firm contracts in the northern Emirates alone is more than \$2.6bn, and Abu Dhabi is proposing to spend nearly \$3bn on development during the next three years.

Nevertheless, development spending is likely to peak during the next two years and decline steeply thereafter. Few new contracts are being let, projects are reaching completion, there are few major infrastructure improvements envisaged for the future and governments are finding their expenditure is creeping up inexorably on their revenues.

Contrast

As in other fields of business activity in the UAE there is a sharp contrast between practices in Abu Dhabi and Dubai, while the other Emirates are less easy to categorise. At one time during the Gulf boom it seemed as though Sharjah would assume a strong and separate character, but the boom collapsed before the Emirate could complete its developments, and Sharjah now is characterised by as many unfinished buildings as on a Hollywood film set.

Of the two major Emirates, Dubai's construction scene is probably the most active at present. The industrial zone and port at Jebel Ali appear to be going ahead according to the original mammoth plan, and Shaikh Rashid, the Ruler of Dubai, his close relations and other prominent businessmen are still interested in private sector property development. But the conditions under which contractors now have to operate in Dubai are gradually changing. There is a conspicuous lack of new projects of Jebel Ali size, or even of large-scale residential developments, and the bidding for the work available in Dubai has become more intense.

The authorities and private clients in Dubai used to follow the international FIDIC standard contract terms but this is now changing. Some of the terms of an international contract are being strengthened in order to protect the client because the client is tending to select the cheaper, but less experienced, contractors. The clients are demanding stiffer terms on performance bonds, for example, because they are choosing contractors whose lack of experience is quite likely to lead to problems, not least the underestimation of the costs and difficulties of construction in the Gulf. Dubai clients, as with others in Gulf States, are only slowly learning that, in construction terms at least, cost and competence are directly related.

At present bid bonds in

Dubai stand at 5 per cent of the contract value and performance bonds vary between 10-15 per cent, depending on the contractor. The size of current projects is causing problems for some contractors because of the commensurate size of the performance bonds that have to be raised. Different treatments of these bonds by accounting standards in various countries add to the complications. Fortunately, so far, no bond in Dubai has yet been called.

A noticeable contrast between the Abu Dhabi and Dubai construction markets is the relative absence of international contractors in Abu Dhabi, particularly British ones. Bernard Stanley is a prominent exception to the rule, but the other contractors are mostly well known regional firms or local joint ventures. Abu Dhabi is considered to be a more difficult market in both the private and the public sectors than Dubai. Dubai has always had a more open approach to commercial matters and has not been so protective towards its own nationals.

In Abu Dhabi, for example, foreign contractors have to hire 80 per cent of their transport from locals. A noticeable feature of the Dubai construction scene is the dominance of the Halcrow civil engineering consultancy either as Sir William Halcrow and Partners or as Halcrow Middle East. Among other projects the consultancy is advising the Government of Dubai on two of its biggest projects, the 74-berth Jebel Ali port and the drydock yard.

The drydock construction contract (expected to cost about \$250m) is rapidly nearing completion according to the contractors, a joint venture of Halcrow and Taylor Woodrow International, and should be finished to plan in February, 1979. Visiting the site is a strange experience as one remembers that as yet there is no management to take over the spanking new yard with its bright yellow, polythene wrapped machinery; a slightly strange experience for the contractors also, not to have the client breathing down their necks, asking when they will be off the site.

The port of Jebel Ali is also in a somewhat unreal situation. There has been talk of scaling down the project, but Shaikh Rashid still appears determined to stick to the original plan for 74 deep-water berths. The cost was originally estimated to be around \$400m but this is now being revised upwards. The plan is that the port will be used by the industry in its immediate hinterland, but so far the only industries definitely to set up at Jebel Ali include Dubai's aluminium smelter, the gas processing plant, a cable factory, an aluminium extrusions plant and a structural steel plant.

The gas plant is scheduled to be completed at the end of this year and its major customer for natural gas, the aluminium smelter, should be completed by autumn 1979. Most of the contractors for the aluminium plant are British, including British Smelter Constructors for the design and building of the plant. Hawker Siddeley for the power supply and John Brown for turbines for the Westgarth desalination plant. But as Abu Dhabi has found with its LNG plant on Das Island (and Qatar with its natural gas liquids plant at Umm Said) there are more problems in building process plant in the Gulf States than elsewhere in the industrialised world.

Most residents of the UAE believe that there will be a continuing demand for high-quality office and residential accommodation, so this area of construction

activity is likely to keep ticking over. But many of the UAE's private clients are finding that they cannot fund their more ambitious projects and a number are raising syndicated loans. Shaikh Mohammed bin Khalifa al Maktoum, for example, is aiming to borrow \$18m for the Deira Bazaar shop and flat complex and Abdul Wahab Galadari \$50m for his Corniche project comprising an hotel, offices, shops, revolving restaurant and other amenities. In Abu Dhabi Shaikh Suroor bin Mohammed al Nahayyan has borrowed \$19m for his trade centre and Abdul Jaill al Fahim and Sons have raised \$17m for the Holiday Inn hotel.

Obtaining contracts in Abu Dhabi is, according to contractors, a more difficult and lengthy process than in Dubai. The private sector, with the exception of prestige projects, tends to buy the cheapest and to be suspicious of newcomers. The bureaucracy of the public sector and the high level at which decisions are taken often leads to long delays in awarding contracts. Government contracts in Abu Dhabi are virtually always fixed price lump-sum contracts and many of the civil servants are highly suspicious of contractors' motives, suspecting padding at every possible point in a contract.

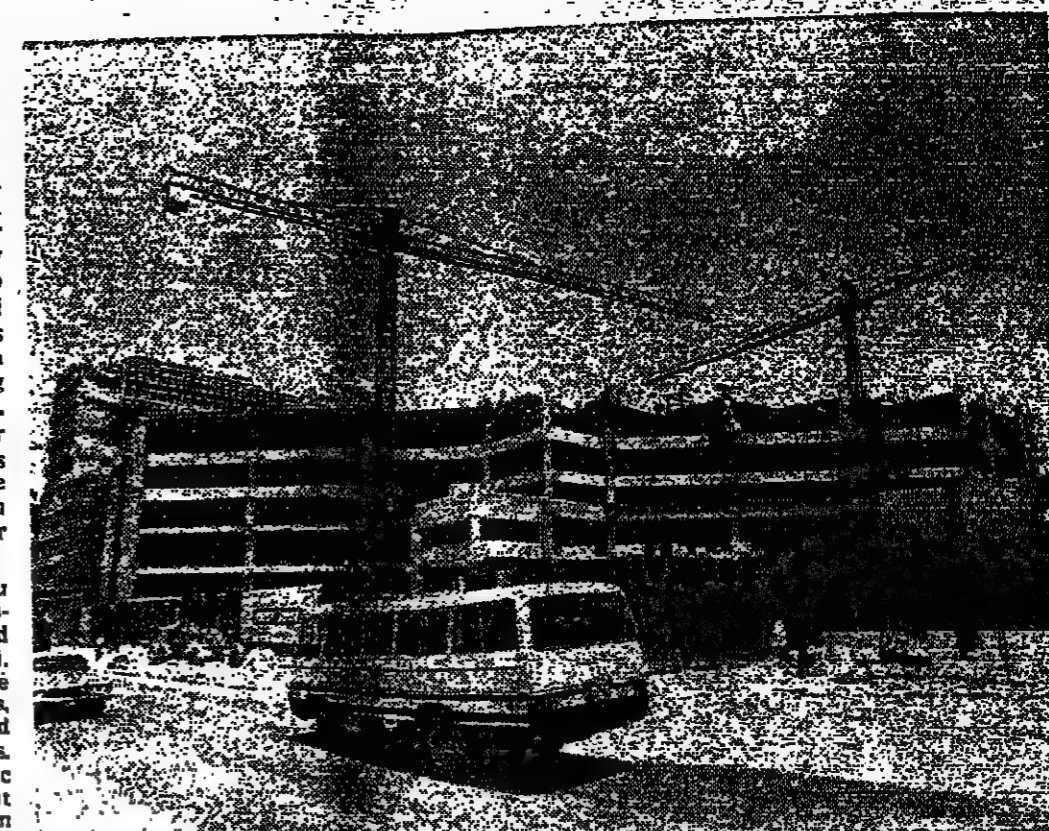
In Abu Dhabi public sector projects normally go out to open tender (resulting in 47 documents being issued for the Fujairah harbour project, for example), though some of the larger projects are restricted to a smallish list of pre-qualified contractors. When the short-list gets down to a small number of contractors the real haggling begins, and in the past the Abu Dhabi Government has been able to take advantage of contractors' need for work. However, its insistence on price as the dominant yardstick for judging a bid has kept many of the international contractors away.

Difficulties

Delays and difficulties with some projects have led the Abu Dhabi Government to invent a short cut system, especially for socially desirable projects. A number of these projects have been negotiated through the Amiri court and its chairman, Shaikh Suroor, who is empowered to sign contracts himself. Contracts handled through the Amiri court tend to package jobs, with a limited number of contractors invited to present their design and construction bids. These are evaluated by consultants Sir Alexander Gibb and Partners (whose relationship with the Abu Dhabi government is similar to that of Halcrow and the Ruler of Dubai) who then supervise the contract.

Tender bonds in Abu Dhabi are a firm 5 per cent of the contract (valid for 90 days) and performance bonds are 10 per cent, callable upon demand, though as yet none have been called. There is a trend among some consultants working in Abu Dhabi to try to set an absolute figure for the tender bonds so that the more enterprising contractors do not make a tour of friendly bankers to discover the bid range. A recent Government contract did specify FIDIC conditions which local consultants think may be the beginning of a breakthrough towards universally accepted standards of tendering and awarding contracts.

Because of the greater density of bureaucracy in Abu Dhabi, and the higher levels at which decisions are taken, it has a reputation for being a slower payer than Dubai, though payments do eventually get through. (The Dubai Electricity Company was declared by one enthusiastic contractor



The Inter Continental Plaza under construction in Dubai

to be an "immaculate" client. When the economic slowdown reached the Emirates at the beginning of last year many private clients also became notoriously slow payers. "At least there have been no really large bankruptcies among the contractors based in the UAE. It is known that one or two are so indebted to their banks that the banks cannot afford to bankrupt them."

The most telling symptom of the sector's overbuilding during the boom years of 1975-76 are to be found in Sharjah. Row upon row of partially occupied blocks of flats, a great number of unfinished buildings where poor quality blockwork is already beginning to crumble, elegant but very empty hotels—parts of Sharjah are like a ghost town that was never inhabited in the first place. The Sharjah Government itself (as opposed to its private sector) has won some admiration by its firm cutting back on spending as the slowdown became more severe.

Some of those buildings in Sharjah may be finished, and of these some at least will be occupied if business picks up again. Certainly the increase in cement imports and the slight increase in letters of credit opened, particularly in Dubai, indicate that business confidence may be picking up. But local observers feel that the heady two years immediately after the oil price rise are unlikely to be repeated. There will be more construction projects, and contractors (skilful ones) will still be able to make money in the UAE. Newcomers, however, are advised to go into joint ventures with an active local partner. "Lack of local knowledge can be very expensive" comments one respected consultant. The construction industry in the UAE (as elsewhere in the Gulf) has an additional function—it is through Government projects that oil wealth percolates down to the citizens.

D.T.

EL NILEIN BANK



P.O. BOX 6013
ABU DHABI
TELEX 2884 AH

THE SUDAN IN
THE GULF



ATLAS ENTERPRISES

Turnkey Projects

Construction and

Building Material Supplies

Labour Recruitment

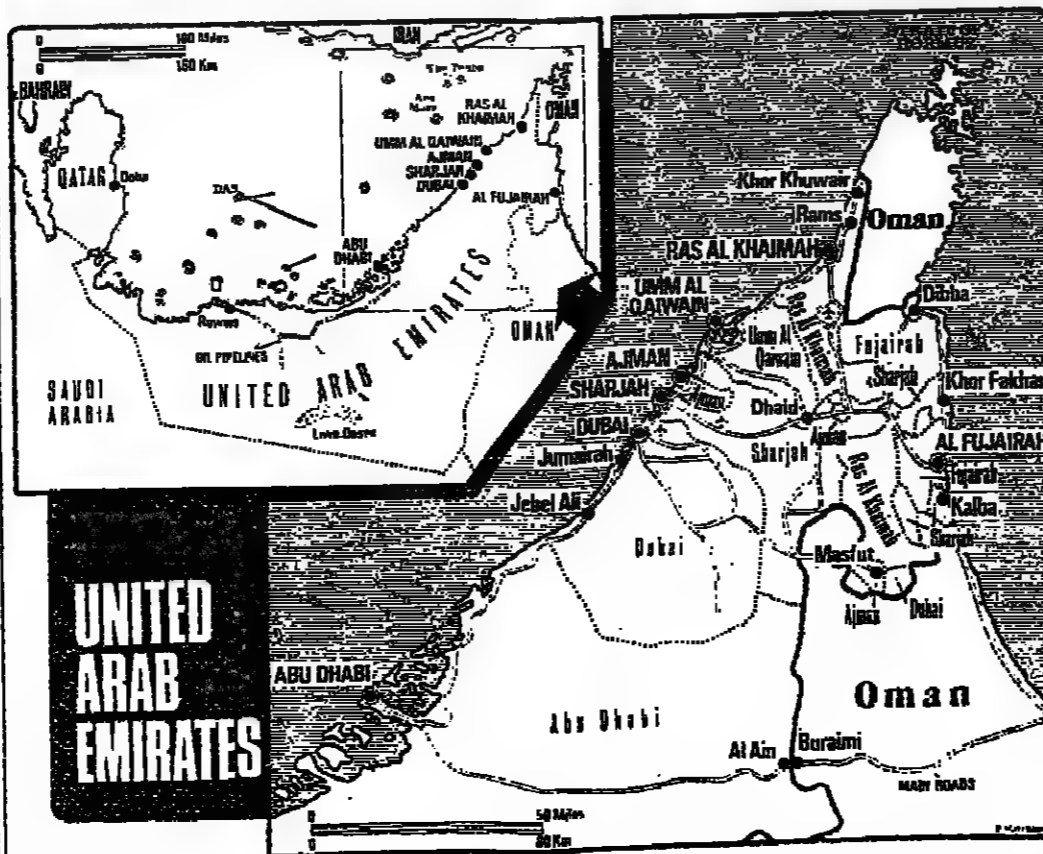
Hotel Furnishing

Fast Foods

PO BOX 6200 ABU DHABI U.A.E.

Tel: 26584

Telex: AH 3219



Photographs in this Survey were taken by TERRY KIRK

Russia bids for warlike space lead

BY ROGER BOYES

THE SOVIET UNION'S latest Soyuz-Salut space link-up is being watched with particular interest by Western experts who believe that Moscow may be about to take a crucial lead in some parts of the space race.

The current mission appears innocuous enough: the two-man crew was transported last week to the Salut-6 orbital laboratory where, according to the Soviet press, the cosmonauts will process certain materials under gravity-free conditions, take photographs of the earth and carry out some routine tests.

But space experts in London and Washington believe that the success, or otherwise, of the mission will show whether the Soviet Union has fully overcome the technical and psychological problems which until recently hampered its manned satellite missions.

The development of large orbit space stations is a prime goal of these link-ups—combined with Soviet expertise in the field of hunter-killer and anti-satellite satellites—would greatly advance Soviet capability in the military use of outer space. Talks in Helsinki between the U.S. and the Soviet Union, scheduled to start this week, have been aimed at working out tight controls over the deployment of killer satellites. A total ban on these unmanned vehicles is thought to be unlikely to emerge.

Earlier Soyuz missions have been plagued with docking problems. Landing techniques have been at best haphazard. The recent Soyuz vehicle landed in a blizzard near Siberian lake, apparently several hundred miles off target. Another landed on the side of a mountain, almost impossible to rescue teams. The psychological difficulties caused by prolonged space flight have caused some missions to

be called off prematurely. The last link-up, however, went smoothly, the Soyuz-26 cosmonauts spending a record 96 days in space.

The success of the last mission was particularly significant from the military point of view. Western space experts believe that Delta, the automatic navigation system tested by the cosmonauts, will be applied to a Soviet shuttle system currently being developed at the Central Institute of Aero-hydrodynamics (ISAGI) near Moscow. The computer control of the space shuttle vehicle—dubbed the "spaceplane" in the West—may be similar to systems used in the Soyuz.

Spaceplanes have already been released from Tupolev Tu-95 heavy bombers in glide tests. Orbital test missions are expected soon. The spaceplane would have a mainly reconnaissance role and is quite capable of flight over the U.S. and China, but it could also destroy U.S. satellites in orbit.

The U.S., too, is working on a type of spaceplane—a reusable space shuttle ship which, it is expected, will cut the cost of satellite launches—but it has played down the anti-satellite capability. This month it was revealed that the White House had ordered that all future U.S. satellites important to national security should be protected against anti-satellite weapons.

The U.S. is the moving force in the talks at Helsinki. "Washington," one space systems analyst said in London, "is way behind on satellite warfare and is scared that things will get out of hand."

Besides the spaceplane, plans for a network of large orbital space stations may substantially increase Soviet military potential in space. According to Western intelligence experts,

the Soviet Union plans during the 1980s to launch advanced space station modules, weighing between 75,000 and 100,000 lbs each, with the regular Soyuz space shots. These modules would then be put together by manned and automatic means to form a large space station complex, made up of medium-sized and larger components.

These complexes could then combine several reconnaissance functions—including the surveillance of missile silos on earth, early warning, navigation, mapping, communications and control—through directed photography. The scientific information gleaned could also have strategic value such as weather forecasting, for instance, or crop prediction.

Spinning wheel

One possible design for such a complex involves linking up and welding together station modules to form a wheel-shaped structure. Additional modules would form the spokes of the wheel. When the station rotates, the cosmonauts working in the outer rim would be able to work under artificial gravity conditions, derived from the centrifugal force of the spinning wheel. There would, however, be a vacuum and zero gravity in other parts of the complex—hence the emphasis on weightlessness tests in the current Soyuz programme.

The Soviet President, Mr. Leonid Brezhnev, has described the projected network of such stations as "man's highway into outer space." The plan is to arrange the stations so as to accommodate both relay-type missions and extensive refuelling operations. The complex, so the Russians believe, could then act as a platform for lunar and interplanetary missions, apart

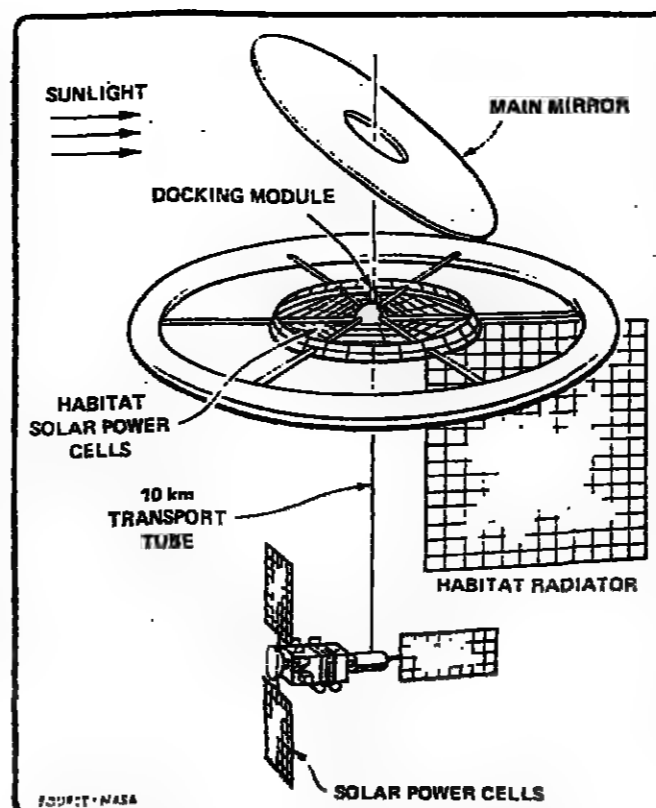
from having military functions. "Soviet space stations," a former space engineer says, "will play the same role in space that American aircraft carriers currently play on earth. Soviet hunter-killer satellites will play the same role in space that American fighters play on earth. The Soviets are well on their way to achieving superiority in space."

It is clear the U.S. is rapidly losing the dominant position in space exploration that it appeared to have achieved after the Apollo moon landing in 1969. The primary reason, of course, is financial: the Soviet Union, it is believed, spends three or four times more on space exploration than does the U.S.

The U.S. space programme secured huge budgetary allocations after the first shock of the Soviet Sputnik launch in 1957. The Sputnik, along with some other notable Russian "firsts"—first satellite to carry an animal, first photographs of the hidden side of the moon, first man in space, Yuri Gagarin and the first, and only, woman in space, Valentina Tereshkova—gave impetus to the U.S. programme.

The funding, and main thrust of U.S. space research was concentrated on the "winnable" goal—that is a goal apparently out of reach of Soviet technology—of landing a man on the moon. In many ways it was a dead end. The U.S. did not have the hardware to follow through after Apollo, and the programme was dismantled. It was never really clear during this time whether the Soviet Union also intended to put a man on the moon. But whatever Russia's lunar ambitions, it was unquestionably pursuing a comprehensive near-earth manned space programme.

The Russians gained valuable near-earth experience, records for spaceflight missions of long duration, learned how to manoeuvre and carry out space flights, and focused much research on manned spacecraft and space stations. The design of the U.S. Apollo spacecraft by contrast is not readily adaptable to exploring near-earth space for scientific or military purposes, though its Saturn V launcher was rebuilt as the



An American proposal for a space station—an area in which the Russians may be ahead. The main mirror reflects light on to the habitat module which simulates gravity by spinning in space. Surplus heat is dispersed from the radiator, energy provided by solar power cells installed at the end of a 10 km connection. The main wheel of the design would be about 1,800 metres in diameter.

Skylab research station in the early 1970s.

But the main Soviet lead over the U.S. at present is in the field of unmanned satellites—specifically radar scanner and hunter-killer satellites. The growing role of ocean-scanning satellites received attention early this year when the nuclear-powered Cosmos 854 crashed in northern Canada.

The satellite was one of a series used to chart the movements of naval forces and merchant fleets. With the rapid expansion of the Soviet naval power, such satellites are essential both tactically and strategically. They can report the position of enemy ships and estimate accurately the range of targets from Soviet submarines.

It is the hunter-killer satellites, however, that have caused the most concern in the West, primarily because their sole function is aggressive—to knock out orbiting U.S. reconnaissance and communications satellites, thus "blinding" the Americans during a possible nuclear war.

The Russians began testing their current generation of hunter-killers in 1976. Shortly before leaving the White House, President Ford ordered a U.S. programme to test and deploy a similar weapon. President Carter vetoed deployment, but allowed development to continue. The U.S. is debating two types of killer satellite, but progress is hampered by the Administration's uncertainty whether to push ahead with development or to seek a treaty banning the weapon altogether.

The Soviet Union has carried out several hunter-killer tests—all apparently successful. Last December, Cosmos 970 was launched into a low earth orbit, and then boosted another 900 miles to catch up with another Soviet satellite. After travelling alongside the target, it moved slightly off course and blew it up.

According to the Stockholm International Peace Research Institute, the Soviet Union has been testing four types of intercept satellite. They are the current treaties outlawing perigee matching satellites which catches its target at the lowest point of its orbit; the de-orbiting satellite, which comes in on an orbit similar to that of the target; apogee matching

satellite which by-passes its target at the highest point of its own orbit; and the so-called "pop-up" satellite which enters an orbit much lower than its target and is then boosted up to target level.

It is thought that at present these killer satellites could catch only certain U.S. vehicles, and that technologically many targets are still out of their reach. This leads to two lines of speculation: the hunter-killers could be simply a way of defending Soviet satellites against U.S. attempts to jam Russian surveillance; or Chinese satellites could be the main target.

Soviet satellites are often launched shortly after a new Chinese satellite has entered orbit, and the orbital paths of Soviet satellites are close to those of the Chinese. None the less, Western space experts are working on the assumption that the bulk of the Soviet military space programme is aimed at the U.S. and that it is basically designed to fight and win wars.

Certainly the combination of large orbital space stations, the "spaceplane," of radar surveillance and hunter-killers adds up to a formidable Soviet space potential. Much of it is barely off the drawing board, although the unmanned satellites are in an extremely advanced stage of development. But a crucial advantage has been established.

President Carter, faced with the problem of controlling the arms race on earth, clearly does not want to become involved in a dangerous and costly arms race in outer space. Yet the current treaties outlawing nuclear weapons in space—assumed in 1967 to be sufficient to de-militarise space—are seriously lagging behind developments in military space technology.

Letters to the Editor

An unselfish Community

On the Chairman, London Europe Society

Sir, Mr. Newton Jones (June 18) takes the now customary line among anti-market forces of blaming the European Community for the things he dislikes about the world we live in and policies of our Government.

It is not the only one who does protection, whether of steel industry or of Western farmers. I do myself.

He is really going to follow his arguments to their logical conclusion and say that the steel industry of Western Europe should be allowed to go out of business as a world economic and the undermining of Community market by cuts in imports? Does he not see the social consequences of such principles into dogma?

We not have enough unemployment already? How, in a world when industrial change is lacking, would he ensure re-employment of the additional numbers put out of work by his doctrine?

I would be fully, for reasons of the doctrine, to allow disappearance of capacity shall need when the world economy recovers. The EEC has only taken the sensible steps we should have had to ourselves if there had not been a Community foreign trade.

We should be grateful to the EEC, through its great existing power in world trade, to far been able to preserve the liberal framework of its world trading system, only a small number of national actions to safeguard the threat of massive closures, with regard to New Zealand, a case who, like me, has a personal concern and affection for the country which will want the Government to ensure that maintains its market for its goods.

But the means that involves do not mean, for once, forget that the European Community not only the most liberal trading area of all the world's major areas, but is also the world's largest provider of aid to the developing countries, the biggest importer of their goods.

It is that it applied a special scheme of preference to many other countries of food and other goods, and that it has a remarkable leadership with 22 developing states—many of them among the world's poorest—under the Convention.

It is not for the best in the world for the world, but because the European Community of being a selfless, ultra-nationalist grouping, is surely a disgrace.

Prag, London Avenue, SE26.

article is its failure to comment on the lack of choice which will still face parents while our schools (really education factories) have such large numbers of pupils. The remedy is, of course, to provide a comprehensive education in schools of a much smaller size. A far stronger bond can then be forged between pupil and teacher and school and a far better identity of objective achieved.

Given a wider spread of this able parents are likely to be able to make a real choice between schools of different standards and convenience.

Give our children this, and perhaps we shall have a glimpse of the education Utopia which we have all been promised for so long.

M. Allen, 27, Heath Road, Putney, Bar, Herts.

Windmill power

From Sir Henry Lawson-Tancred

Sir—In view of David Fishlock's mention of my name and the picture he shows of my aerogenerator in his article entitled "The two pitfalls of windmill power" (June 18), I feel entitled to reply to some of his statements.

By inference he asserts that I have been involved in "heated debates" and see "almost no limits" to the use of windpower. Neither is true, as far as I am concerned.

It may seem strange that as a pioneer of the art in the UK any rate—mine is the largest aerogenerator to be operational at the moment—I have always seen only a very limited scope for these appliances here in the UK. When then did I undertake the design and construction of the aerogenerator at Aldborough? What have I learnt from the experience? What are my views about the future of these machines?

The operative words are "here in the UK." The limiting factor in this country is in my view undoubtedly environmental. I am not satisfied that this problem can be overcome by off-shore machines. The cost is likely to be prohibitive. Overseas there are many countries which have good sites and where the environment is not a problem and I think I see does not arise and I think that many people will have aerogenerators built on them. This country can not afford to be left out of this highly lucrative business.

I have learnt that it is indeed possible to use structural steel expertise in place of the aero-space expertise used by others—and achieve the same end result.

The most vital parameter of all—cost—being the beneficiary of the structural steel approach. The aerogenerator must be regarded as a steel building not an aeroplane. Traditionally everything made under the generic title "structural steel work" has always shown the lowest cost per ton weight. Aerogenerators must not be an exception, if they are to be commercially viable.

Experience has shown that noise is not going to be a problem. But it cannot be over-emphasised how important the cost of the energy produced is going to be for the prospects of all sources of alternative energy.

Because of the variable nature of wind (and the same goes for wave and tidal power) no utility wave wind power can reduce its requirement for conventional equipment to meet the load demand it is committed to provide because it has installed wind power capacity. Therefore denigration and administration expenses are always going to be relevant and payable regardless

Non-executive directors

From the Managing Director, Ores International

Sir—With all the fascinating correspondence on the role of directors, two-tier boards, non-executive directors and worker directors, I feel that my basic point has tended to become lost. In brief, I contend that while main boards may—and do—recruit non-executive directors, since sub-companies have authority, responsibility and accountability as profit centres, it follows they should have, and employ the right to elect non-executive directors if they consider they will be cost effective in contributing to the company's objectives.

In this way one may optimise the employment of the brain power that is available in and around the company.

M. I. Webb-Bawen, 38-39, Meador Street, W1.

Complexities of reinsurance

From the Chairman, Merritt Dizey Syndicates

Sir—I hope that you will allow me the opportunity to comment on John Moore's interesting piece (June 18) and offer some clarification on what is inevitably a very complicated dispute, and one where the discussion is made for the time being more difficult by some matters being "sub-judice."

There are a number of errors of fact, of varying degrees of importance.

The document from which Mr. Moore quotes is not an Institute Resolutions do Brasil affidavit: it is the affidavit of a partner in Elborne Mitchell (solicitors to IRB in this matter) made not as a defence but only in opposition to the plaintiff's application for summary judgment.

There are not "claims on 1,300 contracts": there were approximately 1,300 risks involved, on several of which there were claims.

The syndicate was not suspended "when it became clear that IRB was not prepared to settle the reinsurance claims": since that did not become clear until the formal repudiation. The syndicate was placed in an intolerable position because innocent assured had valid claims on Lloyd's policies and were therefore being indemnified: the Committee of Lloyd's acted in December when IRB declined to pro tempore make any further payment. The immediate solvency of the syndicate had thus been impaired.

Local authority accounting

From Mr. R. Godin

Sir—Your report of June 21 (Page 7) does not qualify me to say whether the Greater London Council "scandal" is the best possible light in this dispute. There will not and cannot be any response in detail or otherwise to the affidavit from the plaintiffs, the members of the syndicate, until the trial.

Stephen R. Merritt, Lloyd's, Lime Street, EC3.

Today's Events

GENERAL

Mr. James Callaghan, Prime Minister, due to meet President Carter in the U.S. for discussions on aerospace. Mr. Callaghan will receive the Mr. Hubert H. Humphrey award for international statesmanship from the National Committee on American Foreign Policy in New York.

Quarterly analysis of bank advances (mid-May).

Two-day meeting of EEC Foreign Ministers opens in Luxembourg.

Lord McCarthy hearing of submissions from Post Office Engineering Union and the Post Office on industrial problems of telephone engineers.

Trades Union Congress Finance and General Purposes Committee meeting, Congress House, London.

Captain Harriet Weinert,

master of the salvage tug, expected to give evidence at Librarian Board of Inquiry on Amoco Cadiz disaster hearings, 10 Upper Belgrave Street, London.

Mr. Edmund Dell, Secretary for Trade, meets.

Institute of Directors to discuss industrial democracy plans. The delegation will be headed by Lord Brim of Hale.

Two-day Financial Times conference opens at University of Edinburgh on Scottish Finance and Industry—chairman of the four sessions will be Lord Thomson of Monieith. Mr. Alan R. Devereux, Mr. Ian R. Clark and Mr. John B. Burke.

Annual meeting of International Whaling Commission at Mount Royal Hotel, Marble Arch, London, opens with address of welcome by Mr. Edward Bishop.

Minister of State, Ministry of Agriculture (ends June 30).

South African Government plans to start registration of votes for Namibian constituent assembly (continues until September 22).

Chancellor Helmut Schmidt of West Germany starts two-day visit to Nigeria.

Three-day meeting opens in Athens organised by the Hellenic Chamber of Development and Economic Co-operation with the Arab Countries, to attract Arab capital investment to Greece.

Southern Gas Consumers' Council annual report for 1977-78.

Canvey Island public meeting on Health and Safety Executive report on potential hazards. The Paddocks, 8 pm.

Queen begins visit to Channel Islands (until June 29).

Prince Charles opens "The Richer Heritage" exhibition, County Hall, SE1, 2.30 pm.

Publication of "Britain Today and Tomorrow" book by British Council of Churches.

Lord Mayor of London attends Girdlers' Company dinner, Girdlers' Hall, Basinghall Avenue, EC2, 7 pm.

PARLIAMENTARY BUSINESS

House of Commons: Debate on trade and the prosperity of the nation.

House of Lords: Debates on Official Secrets Act and on monetary union in EEC.

OFFICIAL STATISTICS

National Food Survey report on consumption (first quarter).

COMPANY RESULTS

Trident Television (half-year).

COMPANY MERGERS

See Week's Financial Diary on Page 39.

Antony Gibbs Holdings Ltd.

Merchants and Bankers

Founded 1808

Antony Gibbs Holdings Limited		
Abridged Consolidated Balance Sheet 31st December 1977		
	1977	1976
Share Capital and Reserves		
Issued share capital of Antony Gibbs Holdings Limited	5,062,500	5,062,500
Reserves	8,768,539	8,655,580
Shareholders' Funds	13,831,000	13,718,000
Minority Interest in Subsidiary Companies	1,937,000	1,081,000
Current Liabilities	160,480,000	136,155,000
Acceptances on behalf of Customers	45,634,000	36,968,000
	<u>£221,862,000</u>	<u>£187,922,000</u>
Current Assets	161,721,000	132,043,000
Liabilities of Customers for Acceptances	45,634,000	36,968,000
Investments:		
Associated companies	2,286,000	663,000
Others	3,400,000	1,738,000
Fixed Assets	6,950,000	14,634,000
Premium on Acquisition of Shares in Subsidiaries	1,871,000	1,876,000
	<u>£221,862,000</u>	<u>£187,922,000</u>

From 26 June 1978 our new address is:

3 Frederick's Place, Old Jewry
London EC2R 8HD

Telephone and Telex numbers are unchanged

Telephone: 01-588 4111 Telex: 886720

COMPANY NEWS + COMMENT

Norcros expands to record £14.51m

FOLLOWING A 51m advance at halfpenny to £14.51m Norcros has increased its 1978 year ahead from £12.09m to a record £14.51m, which included a lower contribution from associates of £0.22m compared with £1.31m.

Sales increased by £22.6m to £141.4m. Associated share was £16.55m against £17.5m which included £5.8m exports, and £3.46m overseas.

Stated earnings per 25p share are up from 13.93p to 14.7p and the dividend is stepped up to 4.42p (3.96p) net, with a final of 2.82p.

An analysis of sales and pre-tax profits shows: UK operations £11.77m (£11.55m) and £2.77m (£2.96m); consumer and allied products £3.92m (£4.49m) and £1.55m (£1.53m); engineering £3.14m (£3.15m) and £2.11m (£2.13m); printing and packaging £2.09m (£2.27m) and £1.19m (£1.22m); overseas £3.79m (£2.08m) and £4.34m (£3.25m); and head office and associates £16.93m (£17.5m) and £2.05m (£3.01m).

Profits were subject to tax of £3.28m (£3.49m) and pre-acquisition losses for the period of £6,000. Also there was an extraordinary debit for the year of £0.76m against a £9,000 credit last time.

Surplus for the year was down from £7.78m to £7.41m but a smaller transfer to reserves of £4.5m compared with £5.8m left the available profit up to £2.96m. As at March 31 assets totalled £21.81m (£17.5m) and net current assets stood at £45.09m (£37.37m).

Group sales for the year were: UK £11.77m (£11.55m); Overseas £2.77m (£2.96m); Consumer and allied products £3.92m (£4.49m); Engineering £3.14m (£3.15m); Printing and packaging £2.09m (£2.27m); Overseas £3.79m (£2.08m); and Head office and associates £16.93m (£17.5m).

comment

With full year pre-tax profits up a fifth, following the 22 per cent interim improvement, Norcros has lived up to expectations. Norcros has lived up to a solid advance Bond's directors and staff will be joining the Datastream group.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends are intended or final and the sub-divisions shown below are based mainly on last year's timetable.

TODAY
Interim—Cranite, Trident Television, Peabody-Carter, Somer, Walker and Star, Whitecroft, Wilson Brothers.

FUTURE DATES

Company	Date
Granite Trust	June 26
Norfolk Capital	June 26
Trust Houses Forte	June 26
Flint	June 26
Cord (Dunlop)	June 27
Gilliver	June 27
Gresham House Estate	June 27
Jarvis	June 27
Monk (A.)	June 27
National Carbonisation	June 27
Procter & Gamble	June 27
Wharf Mill Furnishings	June 27

a portion of the profits from the Iraqi turnkey railway sleeper factory contract—another plant has now been sold to Zambia. The window side has been busy, also aided by a higher proportion of overseas business. Meanwhile engineering featured a good performance by the crane interests, though this division was held back by a loss of near £200,000 by the scrap operation. Norcros is currently negotiating the acquisition of several other engineering businesses, continuing with the good news, the UK printing side enjoyed a record year.

Expansion by Datastream

Datastream International, which supplies financial and economic computer-based information and computer services, is to acquire Inter-Bond Services for a maximum of £200,000. Inter-Bond provides computer services on Eurobond and gilt-edged securities to dealers and stockbrokers, and has close links with The Association of Inter-Bond Bond Dealers. Inter-Bond's directors and staff will be joining the Datastream group.

Advance by Continental & Industrial

With total revenue higher at £247,720 against £221,894, pre-tax revenue of the Continental and Industrial Trust advanced from £1,685,222 to £1,819,593 for the year ended May 31, 1978.

The taxable result was struck after expenses of £137,265 (£110,718) and £216,880 (£242,944). After tax of £634,270 (£644,174) and preference dividends available revenue expanded from £283,558 to £1,126,823. Stated earnings are 6.53p (5.82p) per 25p share and the dividend total is stepped up from 3.75p to 6.41p net, with a final of 4.11p.

Continued progress for Lowman

The Tiverton-based Lowman Group, which has interests in property, investments and engineering, achieved a pre-tax profit in 1977 of almost £1.5m compared with just over £1.1m in 1976. Tax amount to £880,000 compared with £1,050,000 and co-partnership paid to employees exceeded £75,000. A similar figure is recommended as dividends to shareholders of about 40 per cent are distributable. Mr. Ian Heston, Amory's chairman states in his annual report that all sections contributed

to this success although Lowman Oils had a difficult year due to extreme competition.

Capital expenditure on new assets in the engineering companies are expected to cost £500,000 while another £80,000 will be spent on alterations. The Eschlebach Foundry development is now costing £600,000 against the original plans which would have cost £450,000.

The chairman also refers to the acquisition of a major interest in Berkeley House, an office property in Exeter, a minority interest in a computer software innovation and a substantial interest in a consortium drilling for natural gas in the U.S.

Mr. Amory expresses confidence that 1978 will see the continuation of the group's success.

Normand shuts down in Canada

Despite close supervision from the UK the Canadian venture by Normand Electrical Holdings did not come up to planned performance in 1977-78 and has been shut down. The company, formed in Toronto to handle group sales in the region, had lost £55,000 in the previous 12 months. Its first year of trading.

The market has remained very depressed and an additional import duty was imposed covering the group's range of products, which include electronic motors, gear boxes and electronic and marine equipment. Mr. J. W. Bowdage, the chairman, tells members that the registered company in Canada is being retained in case it may be used profitably at some future date.

The group has recently implemented a substantial programme of updating of manufacturing processes and machinery, a proportion of which will be financed by leasing to assist cash flow. The group's new South African company began trading on March 1, 1978. Backed by a great deal of sales promotion it got off to a "flying start" and should be contributing to group profit in the current year, he says. Meeting, Kensington Palace Hotel, W, on July 20 at 11.45 a.m.



Mr. John C. Sheffield, chairman of Norcros group, holding sheet at March 31 remains liquid, with cash nearly £4m higher at £14.4m.

Parkland chief optimistic but warns on imports

ALTHOUGH ENCOURAGED by the State-controlled countries and the first few months of trading, showing increased turnover, Mr. Jack Hanson, chairman of Parkland Textile (Holdings), expresses great concern in his annual statement over the effect of cheap imports on the UK textile industry.

"Given a fair chance to compete, I am optimistic that your company will continue to prosper in the current year," he tells shareholders.

Nevertheless, he says he is now disappointed with the prospects for selling products in the Common Market. The opportunities, he adds, of a much bigger home market in the EEC seems to have become, "opportunities for

MINING NEWS

ARCO seeks bi coal build-up

BY KENNETH MARSTON, MINING EDITOR

AMERICA'S Atlantic Richfield Co. is seeking to build up a major bi-coal base in the United States, according to the president, Mr. Thornton F. Bradshaw. He said that the group's first coal mine, Black Thunder, near Gilette in Wyoming, is expected to produce 100,000 tons a year by the end of 1979. A second mine, 15 miles to the north, is due to begin construction later this year and will produce 100,000 tons of coal a year. Mr. Bradshaw said that the group's first coal mine, Black Thunder, near Gilette in Wyoming, is expected to produce 100,000 tons a year by the end of 1979. A second mine, 15 miles to the north, is due to begin construction later this year and will produce 100,000 tons of coal a year.

Goldworthy to close early

THE "Dawn" Group's Goldworthy Colliery, near Gilette in Wyoming, is expected to produce 100,000 tons a year by the end of 1979. A second mine, 15 miles to the north, is due to begin construction later this year and will produce 100,000 tons of coal a year.

HYUNDAI AND NSW COAL

The New South Wales-based coal miner, contractor and civil engineer, White Industries, has been invited to participate in a coal mine from South Korea, Hyundai International. According to reports from Seoul, Korean officials said the Government would favourably consider a plan for Hyundai to inject A\$45m (£25m) into the mine. The Korean officials said that of a group of companies, Hyundai was the only one to offer an equity investment but they did not make clear whether this equity would be in the mine or in White Industries, the reports said. White Industries said a Korean electricity corporation and Hyundai, which visited the mine in 1977, advised that the coal was suitable for use in Korea. The company is now in the process of negotiating a joint venture with the Korean Government to develop the mine. The company is now in the process of negotiating a joint venture with the Korean Government to develop the mine.

PANCONTINENTAL IN QUEBEC FIND

The James Bay Development Co., a Quebec Government-owned agency in charge of mineral not an attitude that is warranted.

Country & New Town consolidate o'seas affairs

MR. GERALD NEWTON, chairman of Country & New Town, has announced that the company will consolidate its overseas affairs. He said that the company will be forming a new subsidiary to handle all overseas business. The new subsidiary will be formed by the merger of the company's overseas operations with those of its parent company. The new subsidiary will be formed by the merger of the company's overseas operations with those of its parent company.

FT Share information Service

The following securities have been added to the Share Information Service appearing in the Financial Times:

- American District Telegraph (Section: Overseas—New York)
- Baryman Exploration (Section: Mining—Miscellaneous)
- Cockburn Cement (Section: Overseas—Australia)
- Texas Eastern Corporation (Section: Overseas—New York)
- Third Mile Investment (Section: Industrials)

ECCLESIASTICAL INSURANCE

In connection with the placing by Rowe and Pitman Hursi-Brown of £1m of 10 per cent redeemable second cumulative preference shares in Ecclesiastical Insurance Office at par a total of 300,000 shares will be available to the market tomorrow. Dealings are expected to start on Wednesday.

LWT/HUTCHINSON

LWT (Holdings) offer for Hutchinson preference shares has been accepted in respect of 337,420 shares (70.25 per cent). The offer is extended to July 6.

SIMCO MONEY FUNDS

Simon Investment Management Co. Ltd.
20 CANNON STREET LONDON
Telephone: 01-256 1425

Rates paid for W/E 25.4.78

	Call 7 day 3 month	p.a.	p.a.
Mon.	10.886	10.502	—
Tues.	10.440	10.558	—
Wed.	10.529	10.823	9.625
Thurs.	10.423	10.725	—
Fri./Sun.	9.782	10.561	—

FINANCE FOR INDUSTRY TERM DEPOSITS

Deposits of £1,000-£25,000 accepted for fixed terms of 3 years. Interest paid gross, half-yearly. Rates for deposits received not later than 30.6.78.

Terms (years)	3	4	5	6	7	8	9	10
Interest %	10.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1

Rates for larger amounts on request. Deposits to and from information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Road, London SE1 8XP (01-828 78). Ext. 177. Cheques payable to "Bank of England, a/c FFI". FFI is the holding company for ICFC and FCI.

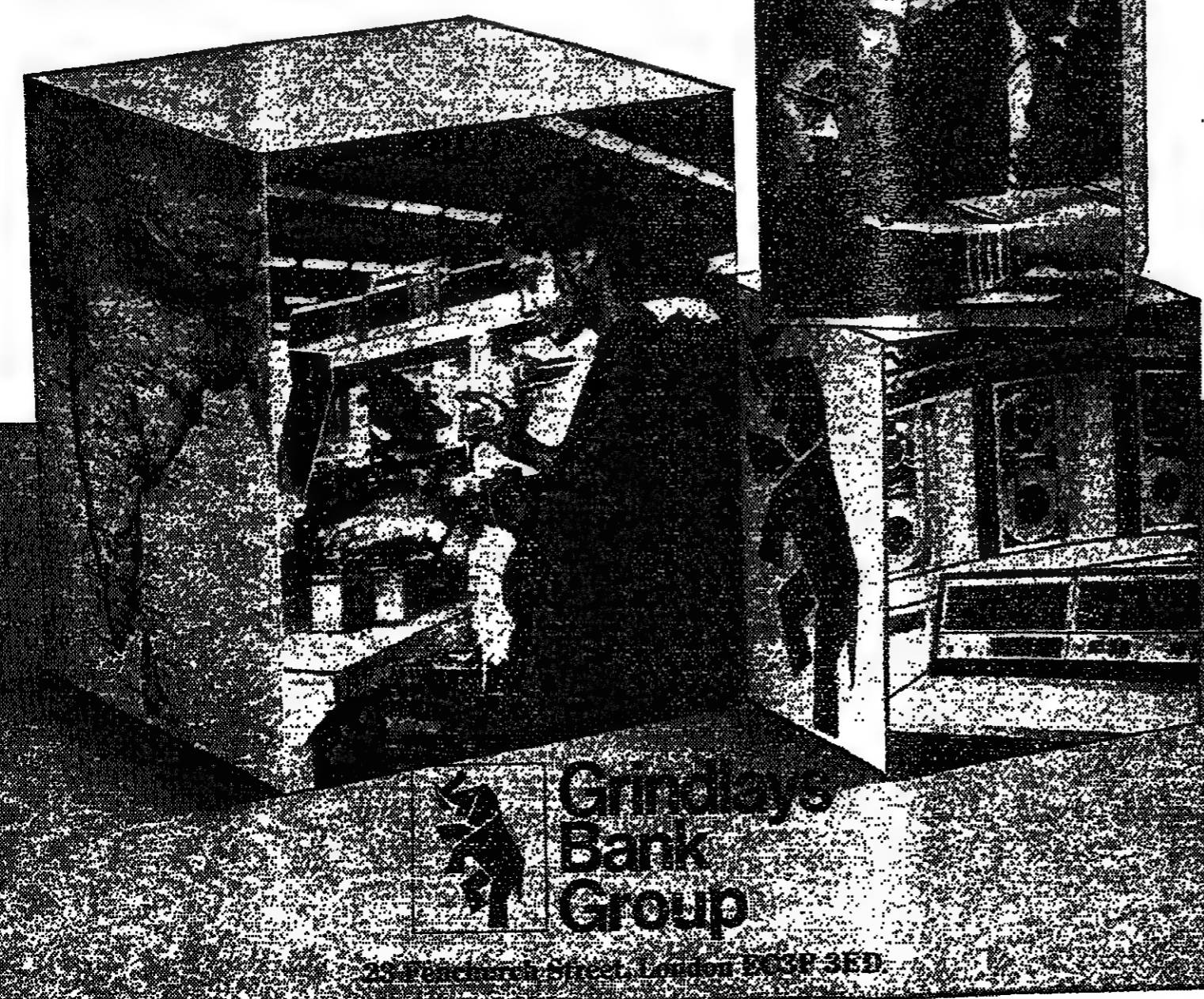
Grindlays

A name you can bank on around the world

Banking on Grindlays means more than taking advantage of the Group's network of branches in some 35 countries. It means working closely with our specialists in such fields as export finance, foreign exchange, eurocurrency finance, and corporate banking. They take full advantage of the regional knowledge and support provided by over 200 Group branches and offices located in most of the major world markets. This teamwork provides the right financial products and packages at the right time.

Members of the Group's Export Finance Department discuss various forms of ECGD finance with a major U.K. exporter. The Group can now handle ECGD buyer credit business in U.S. Dollars or Sterling and can also arrange the financing of supplier credit business.

In India, Grindlays has over 120 years of banking experience and a network of 56 branches serves local and international companies. One important international customer of Grindlays in both India and London has a subsidiary which operates this audio factory amongst its worldwide activities.



ALLIED LEATHER INDUSTRIES LIMITED

Capitalisation Issue of £600,000 9 per cent Cumulative Preference Stock

The above securities have been admitted to the Official List and dealings in them will begin on 26th June, 1978.

Particulars of the Preference Stock are contained on cards circulated by Exel Statistical Services Limited and copies may be obtained during normal business hours on any weekday (Saturdays and public holidays excepted) up to and including 10th July, 1978 from—

FIELDING, NEWSON-SMITH & CO.
Garrard House, 31 Gresham Street, London EC2V 7BX

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.



Ecclesiastical Insurance Office Limited

(Incorporated in England under the Companies Act 1862 to 1886-87 No. 24369)

Placing by
ROWE & PITMAN, HURST-BROWN
of 3,000,000 10 per cent. Redeemable Second
Cumulative Preference Shares of £1 each of
Ecclesiastical Insurance Office Limited
at £1 per share payable in full on or before
28th June, 1978.

Application has been made to the Council of The Stock Exchange for the 10 per cent. Redeemable Second Cumulative Preference Shares of £1 each ("Second Preference Shares") to be admitted to the Official List. In accordance with the requirements of the Council of The Stock Exchange, 300,000 Second Preference Shares are available to the market on Tuesday 27th June, 1978 and dealings are expected to commence on Wednesday 28th June, 1978. Particulars of the Company and of the Second Preference Shares are available in the Eitel Statistical Service and are obtainable until 10th July, 1978 from:-

ROWE & PITMAN, HURST-BROWN,
1st Floor, City Gate House, 39-45 Finsbury Square,
London EC2A 1JA.

APPOINTMENTS

Group posts at Vantona

Mr Robert Owen has been appointed managing director of the South and Smith Group, the lower division of VANTONA GROUP. He was previously with Courtauld.

Mr. Orville Hudson has been made managing director of Albert Hartley, a member of the printing division of Vantona. He was with Heaton Mills Printing.

Mr. Geoffrey Wood, senior lecturer in banking and international finance at the City University, is joining BUCKMASTER and MOORE, stockbroker, as an economic consultant. He will be working with Dr. Ian Richardson, the firm's chief economist.

Mr. Wood is currently completing a one-year appointment as Visiting Scholar at the St. Louis Federal Reserve Bank. Mr. Mark Rogers is joining BUCKMASTER and MOORE as a senior 21st-century sales executive on August 28. He is at present a producer and presenter of the BBC Radio 4 programme "Financial World Tonight".

Mr. P. A. E. Carr, group personnel director of DEBENHAMS has become a director of subsidiaries H. and M. Rayne, Harries and Debenhams Inc. Mr. D. F. L. Jaggas has been made a director of a member company, Harvey Nichols and Co. and Mr. F. A. C. Rayne, a director of H. and M. Rayne.

Mr. P. W. Howe has been appointed financial director of T. CHESWICK SILENCERS.

Mr. A. M. F. Hall has been appointed to the Board of VENTURE FINANCIAL SERVICES AND CO. (PARK ROYAL) with effect from July 1. He will assume the position of financial director, retaining his present responsibilities as financial controller.

Mr. N. J. Raven has been appointed a director of EVERARDS BREWERY.

MANUFACTURERS HANOVER TRUST COMPANY has promoted Mr. Andrew Brett to be vice-president in London. Mr. Brett is a commercial lending officer and responsible for a range of corporate accounts.

Mr. R. Thibaut has been appointed chairman of the Board of Management, THE STEEL SAVINGS BANK, South East.

BOOZ-ALLEN AND HAMILTON, New York, has elected Mr. R. Keith Oliver as a vice-president. Mr. Oliver, who is based in Booz-Allen's London office, leads the firm's manufacturing practice in Europe. He is a specialist in production control and systems design.

SHELL CHEMICALS UK has appointed Mr. J. C. L. Cox as its new managing director. He succeeds Mr. R. T. Kingston who is taking up a senior appointment in Shell International Petroleum Company.

Following the appointment of Mr. A. W. Mabbas as Keeper of Public Records, Mr. E. W. Denham has succeeded him as Deputy Keeper of Public Records and head of record services and publications division. Dr. Patricia M. Barnes has succeeded Mr. Denham as records administration officer and head of records administration division.

Mr. Donald D. Belcher, vice-president and general manager of Avery Label Europe, has joined FASSON EUROPE as vice-president and chief executive. Mr. D. Kemmer, general manager of FASSON's UK production plant in Cranlington in the North East of England, has been appointed vice-president and general manager, graphic arts division.

With the completion of formalities whereby The Exchange Telegraph Company (Holdings) acquires a 45.03 per cent holding in Transtel Communications, the Stoughton-based subsidiary of the Stoughton Corporation of America, the company manufacturing teleprinters and telecommunications equipment — the following Board appointments are announced: Mr. Peter G. S. Mero, chairman and president of Transtel Communications, has been appointed chairman of the Board of Exchange Telegraph (Holdings), becoming deputy chairman. Mr. Williams E. Mero, a vice-president and Mr. Robert E. J. Nelson, a director of Transtel Corporation, and Mr. Mero, a director of Exchange Telegraph Company, a subsidiary of Exchange Telegraph (Holdings), become directors.

George Wimpey and Co. has acquired the Bestwater and Industrial Services divisions of the Pollution Control activity of Powell Duffryn. The board of the new company, WIMPEY WASTE MANAGEMENT, consists of chairman, Mr. B. Wight (managing director, George Wimpey), deputy chairman, Mr. A. W. Mabbas, Mr. H. Morris (finance director, George Wimpey), and Mr. F. Keen (transport controller, George Wimpey).

Mr. Alistair Gregory-Smith has been appointed a director of TOWRY LAW AND CO., insurance brokers, and Mr. Khushroo Ruston has been made director of Towry Law and Co. (Northern).

Mr. Roger Matthews, executive director of Express Creameries and Mr. Christopher Nelson, executive director of Eden Vale, have been appointed to the Board of EXPRESS DAIRY FOODS, the major UK operating company in Grand Metropolitan's foods division.

The governing body of the PERAL COLLEGE OF SCIENCE AND TECHNOLOGY has appointed Mr. John H. Smith as secretary of the College and Clerk to the governors from July 1 in succession to Mr. M. D. Smith who is retiring. Mr. Smith has been Governor of the Gilbert Islands since 1975 and entered the Colonial Service in 1951.

NOTICE OF REDEMPTION

To the Holders of

Honda Motor Co., Ltd.

7½% Guaranteed Sinking Fund Debentures Due 1981

NOTICE IS HEREBY GIVEN that One Million Two Hundred Eighty Thousand and Sixty (£1,280,000) principal amount of Honda Motor Co., Ltd. 7½% Guaranteed Sinking Fund Debentures Due 1981 and bearing the following serial numbers, have been drawn for redemption for account of the Sinking Fund on July 15, 1978 at the principal amount thereof and accrued interest to that date.

DEBENTURES IN DENOMINATION OF \$1,000. EACH

28	1164	1947	2944	3925	5047	5857	6794	7825	8448	9448	10285	12285
34	1171	1952	2339	3927	5048	5858	6795	7826	8449	9449	10286	12286
38	1178	1959	2346	3934	5055	5865	6796	7827	8450	9450	10287	12287
42	1185	1966	2353	3941	5062	5872	6797	7828	8451	9451	10288	12288
46	1192	1973	2360	3948	5069	5879	6798	7829	8452	9452	10289	12289
50	1199	1980	2367	3955	5076	5886	6799	7830	8453	9453	10290	12290
54	1206	1987	2374	3962	5083	5893	6800	7831	8454	9454	10291	12291
58	1213	1994	2381	3969	5090	5900	6801	7832	8455	9455	10292	12292
62	1220	2001	2388	3976	5097	5907	6802	7833	8456	9456	10293	12293
66	1227	2008	2395	3983	5104	5914	6803	7834	8457	9457	10294	12294
70	1234	2015	2402	3990	5111	5921	6804	7835	8458	9458	10295	12295
74	1241	2022	2409	3997	5118	5928	6805	7836	8459	9459	10296	12296
78	1248	2029	2416	4004	5125	5935	6806	7837	8460	9460	10297	12297
82	1255	2036	2423	4011	5132	5942	6807	7838	8461	9461	10298	12298
86	1262	2043	2430	4018	5139	5949	6808	7839	8462	9462	10299	12299
90	1269	2050	2437	4025	5146	5956	6809	7840	8463	9463	10300	12300
94	1276	2057	2444	4032	5153	5963	6810	7841	8464	9464	10301	12301
98	1283	2064	2451	4039	5160	5970	6811	7842	8465	9465	10302	12302
102	1290	2071	2458	4046	5167	5977	6812	7843	8466	9466	10303	12303
106	1297	2078	2465	4053	5174	5984	6813	7844	8467	9467	10304	12304
110	1304	2085	2472	4060	5181	5991	6814	7845	8468	9468	10305	12305
114	1311	2092	2479	4067	5188	5998	6815	7846	8469	9469	10306	12306
118	1318	2099	2486	4074	5195	6005	6816	7847	8470	9470	10307	12307
122	1325	2106	2493	4081	5202	6012	6817	7848	8471	9471	10308	12308
126	1332	2113	2500	4088	5209	6019	6818	7849	8472	9472	10309	12309
130	1339	2120	2507	4095	5216	6026	6819	7850	8473	9473	10310	12310
134	1346	2127	2514	4102	5223	6033	6820	7851	8474	9474	10311	12311
138	1353	2134	2521	4109	5230	6040	6821	7852	8475	9475	10312	12312
142	1360	2141	2528	4116	5237	6047	6822	7853	8476	9476	10313	12313
146	1367	2148	2535	4123	5244	6054	6823	7854	8477	9477	10314	12314
150	1374	2155	2542	4130	5251	6061	6824	7855	8478	9478	10315	12315
154	1381	2162	2549	4137	5258	6068	6825	7856	8479	9479	10316	12316
158	1388	2169	2556	4144	5265	6075	6826	7857	8480	9480	10317	12317
162	1395	2176	2563	4151	5272	6082	6827	7858	8481	9481	10318	12318
166	1402	2183	2570	4158	5279	6089	6828	7859	8482	9482	10319	12319
170	1409	2190	2577	4165	5286	6096	6829	7860	8483	9483	10320	12320
174	1416	2197	2584	4172	5293	6103	6830	7861	8484	9484	10321	12321
178	1423	2204	2591	4179	5300	6110	6831	7862	8485	9485	10322	12322
182	1430	2211	2598	4186	5307	6117	6832	7863	8486	9486	10323	12323
186	1437	2218	2605	4193	5314	6124	6833	7864	8487	9487	10324	12324
190	1444	2225	2612	4200	5321	6131	6834	7865	8488	9488	10325	12325
194	1451	2232	2619	4207	5328	6138	6835	7866	8489	9489	10326	12326
198	1458	2239	2626	4214	5335	6145	6836	7867	8490	9490	10327	12327
202	1465	2246	2633	4221	5342	6152	6837	7868	8491	9491	10328	12328
206	1472	2253	2640	4228	5349	6159	6838	7869	8492	9492	10329	12329
210	1479	2260	2647	4235	5356	6166	6839	7870	8493	9493	10330	12330
214	1486	2267	2654	4242	5363	6173	6840	7871	8494	9494	10331	12331
218	1493	2274	2661	4249	5370	6180	6841	7872	8495	9495	10332	12332
222	1500	2281	2668	4256	5377	6187	6842	7873	8496	9496	10333	12333
226	1507	2288	2675	4263	5384	6194	6843	7874	8497	9497	10334	12334
230	1514	2295	2682	4270	5391	6201	6844	7875	8498	9498	10335	12335
234	1521	2302	2689	4277	5398	6208	6845	7876	8499	9499	10336	12336
238	1528	2309	2696	4284	5405	6215	6846	7877	8500	9500	10337	12337
242	1535	2316	2703	4291	5412	6222	6847	7878	8501	9501	10338	12338
246	1542	2323	2710	4298	5419	6229	6848	7879	8502	9502	10339	12339
250	1549	2330	2717	4305	5426	6236	6849	7880	8503	9503	10340	12340
254	1556	2337	2724	4312	5433	6243	6850	7881	8504	9504	10341	12341
258	1563	2344	2731	4319	5440	6250	6851	7882	8505	9505	10342	12342
262	1570	2351	2738	4326	5447	6257	6852	7883	8506	9506	10343	12343
266	1577	2358	2745	4333	5454	6264	6853	7884	8507	9507	10344	12344
270	1584	2365	2752	4340	5461	6271	6854	7885	8508	9508	10345	12345
274	1591	2372	2759	4347	5468	6278	6855	7886	8509	9509	10346	12346
278	1598	2379	2766	4354	5475	6285	6856	7887	8510	9510	10347	12347
282	1605	2386	2773	4361	5482	6292	6857	7888	8511	9511	10348	12348
286	1612	2393	2780	4368	5489	6299	6858	7889	8512	9512	10349	12349
290	1619	2400	2787	4375	5496	6306	6859	7890	8513	9513	10350	12350
294	1626	2407	2794	4382	5503	6313	6860	7891	8514	9514	10351	12351
298	1633	2414	2801	4389	5510	6320	6861	7892	8515	9515	10352	12352
302	1640	2421	2808	4396	5517	6327	6862	7893	8516	9516	10353	12353
306	1647	2428	2815	4403	5524	6334	6863	7894	8517	9517	10354	12354
310	1654	2435	2822	4410	5531	6341	6864	7895	8518	9518	10355	12355
314	1661	2442	2829	4417	5538	6348	6865	7896	8519	9519	10356	12356
318	1668	2449	2836	4424	5545	6355	6866	7897	8520	9520	10357	12357
322	1675	2456	2843	4431	5552	6362	6867	7898	8521	9521	10358	12358
326	1682	2463	2850	4438	5559	6369	6868	7899	8522	9522	10359	12359
330	1689	2470	2857	4445	5566	6376	6869	7900	8523	9523	10360	12360
334	1696	2477	2864	4452	5573	6383	6870	7901	8524	9524	10361	12361
338	1703	2484	2871	4459	5580	6390	6871	7902	8525	9525	10362	12362
342	1710	2491	2878	4466	5587	6397	6872	7903	8526	9526	10363	12363
346	1717	2498	2885	4473	5594	6404	6873	7904	8527	9527	10364	12364
350	1724	2505	2892	4480	5601	6411	6874	7905	8528	9528	10365	12365
354	1731	2512	2899	4487	5608	6418	6875	7906	8529	9529	10366	12366
358	1738	2519	2906	4494	5615	6425	6876	7907	8530	9530	10367	12367
362	1745	2526	2913	4501	5622	6432	6877	7908	8531	9531	10368	12368
366	1752	2533	2920	4508	5629	6439	6878	7909	8532	9532	10369	12369
370	1759	2540	2927	4515	5636	6446	6879	7910	8533	9533	10370	12370
374	1766	2547	2934	4522	5643	6453	6880	7911	8534	9534	10371	12371
378	1773	2554	2941	4529	5650	6460	6881	7912	8535	9535	10372	12372
382	1780	2561	2948	4536	5657	6467	6882	7913	8536	9536	10373	12373
386	1787	2568	2955	4543	5664	6474	6883	7914	8537	9537	10374	12374
390	1794	2575	2962	4550	5671	6481	6884	7915	8538	9538	10375	12375
394	1801	2582	2969	4557	5678	6488	6885	7916	8539	9539	10376	12376
398	1808	2589	2976	4564	5685	6495	6886	7917	8540	9540	10377	12377
402	1815	2596	2983	4571	5692	6502	6887	7918	8541	9541	10378	12378
406	1822	2603	2990	4578	5699	6509	6888	7919	8542	9542	10379	12379
410	1829	2610	2997	4585	5706	6516	6889	7920	8543	9543	10380	12380
414	1836	2617	3004	4592	5713	6523	6890	7921	8544	9544	10381	12381
418	1843	2624	3011	4599	5720	6530	6891	7922	8545	9545	10382	12382
422	1850	2631	3018	4606	5727	6537	6892	7923	8546	9546	10383	12383
426	1857	2638	3025	4613	5734	6544	6893	7924	8547	9547	10384	12384
430	1864	2645	3032	4620	5741	6551	6894	7925	8548	9548	10385	12385
434	1871	2652	3039	4627	5748	6558	6895	792				

OFFSHORE AND OVERSEAS FUNDS

[illegible][illegible]

FINANCE, LAND—Continued

S	C	Y	M	C	Y	M
W			Th			
4.3	4.3	4.2		4.3	4.3	4.2
2.2	2.2	2.1		2.2	2.2	2.1
1.1	1.1	1.0		1.1	1.1	1.0
3.0	3.0	2.9		3.0	3.0	2.9
0.6	0.6	0.5		0.6	0.6	0.5
4.2	4.2	4.1		4.2	4.2	4.1
2.1	2.1	2.0		2.1	2.1	2.0
1.0	1.0	0.9		1.0	1.0	0.9
3.1	3.1	3.0		3.1	3.1	3.0
0.5	0.5	0.4		0.5	0.5	0.4
4.1	4.1	4.0		4.1	4.1	4.0
2.0	2.0	1.9		2.0	2.0	1.9
0.9	0.9	0.8		0.9	0.9	0.8
3.0	3.0	2.9		3.0	3.0	2.9
0.4	0.4	0.3		0.4	0.4	0.3
4.0	4.0	3.9		4.0	4.0	3.9
1.9	1.9	1.8		1.9	1.9	1.8
0.8	0.8	0.7		0.8	0.8	0.7
3.9	3.9	3.8		3.9	3.9	3.8
0.3	0.3	0.2		0.3	0.3	0.2
4.0	4.0	3.9		4.0	4.0	3.9
1.8	1.8	1.7		1.8	1.8	1.7
0.7	0.7	0.6		0.7	0.7	0.6
3.8	3.8	3.7		3.8	3.8	3.7
0.2	0.2	0.1		0.2	0.2	0.1
4.0	4.0	3.9		4.0	4.0	3.9
1.7	1.7	1.6		1.7	1.7	1.6
0.6	0.6	0.5		0.6	0.6	0.5
3.7	3.7	3.6		3.7	3.7	3.6
0.1	0.1	0.0		0.1	0.1	0.0
4.0	4.0	3.9		4.0	4.0	3.9
1.6	1.6	1.5		1.6	1.6	1.5
0.5	0.5	0.4		0.5	0.5	0.4
3.6	3.6	3.5		3.6	3.6	3.5
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
1.5	1.5	1.4		1.5	1.5	1.4
0.4	0.4	0.3		0.4	0.4	0.3
3.5	3.5	3.4		3.5	3.5	3.4
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
1.4	1.4	1.3		1.4	1.4	1.3
0.3	0.3	0.2		0.3	0.3	0.2
3.4	3.4	3.3		3.4	3.4	3.3
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
1.3	1.3	1.2		1.3	1.3	1.2
0.2	0.2	0.1		0.2	0.2	0.1
3.3	3.3	3.2		3.3	3.3	3.2
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
1.2	1.2	1.1		1.2	1.2	1.1
0.1	0.1	0.0		0.1	0.1	0.0
3.2	3.2	3.1		3.2	3.2	3.1
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
1.1	1.1	1.0		1.1	1.1	1.0
0.0	0.0	0.0		0.0	0.0	0.0
3.1	3.1	3.0		3.1	3.1	3.0
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
1.0	1.0	0.9		1.0	1.0	0.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.9	0.9	0.8		0.9	0.9	0.8
3.9	3.9	3.8		3.9	3.9	3.8
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.8	0.8	0.7		0.8	0.8	0.7
3.8	3.8	3.7		3.8	3.8	3.7
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.7	0.7	0.6		0.7	0.7	0.6
3.7	3.7	3.6		3.7	3.7	3.6
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.6	0.6	0.5		0.6	0.6	0.5
3.6	3.6	3.5		3.6	3.6	3.5
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.5	0.5	0.4		0.5	0.5	0.4
3.5	3.5	3.4		3.5	3.5	3.4
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.4	0.4	0.3		0.4	0.4	0.3
3.4	3.4	3.3		3.4	3.4	3.3
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.3	0.3	0.2		0.3	0.3	0.2
3.3	3.3	3.2		3.3	3.3	3.2
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.2	0.2	0.1		0.2	0.2	0.1
3.2	3.2	3.1		3.2	3.2	3.1
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.1	0.1	0.0		0.1	0.1	0.0
3.1	3.1	3.0		3.1	3.1	3.0
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9		4.0	4.0	3.9
0.0	0.0	0.0		0.0	0.0	0.0
3.0	3.0	2.9		3.0	3.0	2.9
0.0	0.0	0.0		0.0	0.0	0.0
4.0	4.0	3.9				

[illegible]

11	Nat. West Bank	22	Oils
14	D. Warrants	10	Brit. Petroleum
17	P. & O Dtd.	8	Burmah Oil
18	Plessey	8	Charterhall
40	R.H.M.	5	Shell
9	Rank Org. 'A'	18	Ultramar
4	Reed Intnl.	12	
18	Spillers	3	Mines
18	Spillers	3	

Panama	9	Road Ore "A"	18		
U.S. "A"	20	Reed Intal.	12	Mines	
Gardian	18	Spillers	3		
K.N.	22	Tesco	4	Charter Cons:	12
Barker Sudd.	20	Thorn	22	Cons. Gold	14
Huse of Fraser.	12	Trust Houses	15	Rio T. Zinc	16

